Responses to Undertakings Given During Technical Conference

Filed: 2016-07-08

APPENDIX A - NWTC TAX RETURNS 2005 TO 2008



Agence des douanes et du revenu du Canada

CLAIM FOR SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SR&ED) CARRIED OUT IN CANADA

- Use this form to claim SR&ED carried out in Canada during the year. File it with your return of income.
- If you are filing a T2 corporation return of income, place this form on top of the return so that we can identify your SR&ED claim quickly.
- Use a separate form to support SR&ED expenditures incurred by each partnership of which you are a partner.
- Use Guide T4088, Claiming Scientific Research and Experimental Development Expenditures, to help you fill out this form. You can also consult our Web site at www.cra.gc.ca/sred/ for an online help guide.
- If the SR&ED was performed in the province of Newfoundland and Labrador, Nova Scotia, New Brunswick, Québec, Ontario, Manitoba, Saskatchewan, or British Columbia, or in the Yukon Territory, you may be entitled to a provincial or territorial tax credit.
- Complete schedules A, B, C, D, E and F, if they apply to your situation.
- Prepare and retain schedules to support the breakdown for each expenditure claimed in this form and on the required attachments.
- On this form, references to the Act are to the Income Tax Act. References to the Regulations are to the Income Tax Regulations.
- All the information requested in this form including the attachments, schedules and any other document supporting your expenditures is prescribed information. You have to file the information that applies to your claim, along with Schedule T2 SCH 31 or Form T2038(IND), within 12 months of the filing-due date of your return of income for the year you incurred the expenditures. If you do not meet this reporting deadline, we may reject your claim.

Claimant's business address and postal code

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Name of claimant

| | | 4548 Ontario | Street | | | |
|---|---------------------------|--|-------------------|---|--------------------------|--|
| | | Beamsville | | LOI | R 1B5 | |
| | | Claimant's Web | site (if availabl | e) | | |
| Niagara West Transformation Corporati | on | http://www. | ` | , | | |
| Business Number, social insurance number, or pidentification number | artnership | Return for tax year | from: | 2005-01-01 to: | 2005-12-31 | |
| 87681 9301 RC0001 | | | | Year Month Day | Year Month Day | |
| 100 Name of contact person KAREN BUBISH | | ls the claim | filed for a par | tnership? 1 Yes | 2 No X | |
| Telephone number/extension 110 | Fax number | 145 If ves. what | t is the name o | of the partnership? | | |
| (905) 563-5550 | | in you, making the matter of the partitioning. | | | | |
| 130 Is this the first time you are claiming for SR | &ED? | | | | | |
| 11 | 'es 2 No X | 150 Percentage partnership | | vestment tax credits allocated fro % | om the | |
| 132 If not, when was the last claim? | Year 2004 | Name of the KPMG LLP | e person or fir | m who prepared this claim | | |
| | Certi | fication and E | lection — | | | |
| I certify that I have examined the informa and complete. | | | | hedules and attachments a | and it is true, correct, | |
| I elect (choose) to use the following meth I understand that my election (choice) is | | | ures and rel | ated investment tax credits | (ITC) for the year. | |
| 160 I elect to use the proxy method und | er clause 37(8)(a)(ii) | (B) 1 Yes | | | | |
| 162 I choose to use the traditional method | od | 1 Yes | | | | |
| 165 KAREN BUBISH | | | | | 170 | |
| Name of authorized signing officer of the co | orporation, authorized pa | artner, or individual | | Signature | Date | |
| | | | | | | |
| | For Canad | la Revenue Age | ency use or | nly | | |

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Part 2 – Scientific or Technological Project Information

Provide the information requested in Step 1 on separate sheets of paper for each project, and attach them to this form. If you have more than 20 projects, you only need to provide project descriptions for the 20 that are largest in term of dollar value. For step 2, provide the information requested on this form and complete Schedule E. For more information, see Guide T4088, *Claiming Scientific Research and Experimental Development.*

Step 1 - Detailed project description

Identify each of the projects you are claiming and use questions A to E below to help you provide the information we need to process your claim. If the project is continuing from last year and the objective has not changed or been achieved, you can use the same information that you provided last year for questions A, B and C. Include sufficient information to show how your project work meets the requirements of the SR&ED Program.

We recommend that you read Guide T4088 before you answer questions A to E. This will help you understand the type of information the Canada Revenue Agency needs to process your claim and will reduce or eliminate the need for you to submit more information. It will also help you avoid preparing unnecessary information. Most projects can be described in four pages or less. It would be helpful to take into account whether your project involved experimental development work or scientific research work, because the eligibility requirements for these are different. In general, **experimental development** work is done either in or outside a laboratory in order to achieve a technological advancement for creating new, or improving existing materials, devices, products, or processes. Scientific research work is done mostly in a laboratory setting to obtain new scientific knowledge.

- A. Scientific or technological objectives What is the scientific or technological objective of your project? Does this project involve scientific research or experimental development?
- B. Technology or knowledge base or level If your project work is mostly experimental development, what were the technological limitations of the products or processes before you started your project? If your project work is mostly scientific research, what was the extent of existing scientific knowledge in this area?
- C. Scientific or technological advancement What advancement in technology is being sought? What were the problems or challenges that could not be solved using commonly available techniques requiring you to seek an advance in the underlying technology to achieve the objective in A above? or what was the new scientific knowledge sought in your work? To what field of science or technology would the advance contribute?
- D. Description of work in the tax year Describe the work, including experiments and analyses, that you did in this tax year to achieve the technological or scientific objectives above. If all or part of the work that you are claiming was performed by contractors, include a description of the work performed on your behalf by the contactors or a copy of the statement of work from the contract.
- E. Supporting information What technical records or documents generated over the course of the work, such as records of trials, test results, progress and final reports, minutes of meetings, employee activity records, prototypes, and new products, are available to support your claim?

| Step 2 – Project summary information | |
|---|-----|
| Total number of projects you are claiming in this tax year. | 200 |
| If you received an amount under the Industrial Research Assistance Program (IRAP) for SR&ED type work, please indicate the amount you received. | 206 |

Complete Schedule E to provide a list of all SR&ED projects for which you are claiming expenditures this year.

Part 3 – Summary of SR&ED Expenditures (nearest dollar)

| Step 1 – Allowable SR&ED expenditures for SR&ED carried out in Canada | |
|--|-------|
| SR&ED portion of salary or wages of employees directly engaged in SR&ED: | |
| employees other than specified employees | 300 + |
| • specified employees (do not include bonuses or remuneration based on profits) (see guide) | 305 + |
| Amounts deemed incurred in the year under subsection 78(4) (salary or wages) | 310 + |
| Unpaid amounts deemed not incurred in the year under subsection 78(4) 315 | |
| Cost of materials consumed in the prosecution of SR&ED | 320 + |
| Cost of materials transformed in the prosecution of SR&ED | 325 + |
| SR&ED contracts performed on your behalf (complete Schedule F): | |
| arm's length contracts | 340 + |
| non-arm's length contracts | 345 + |
| Lease costs of equipment used: | |
| all or substantially all (90% of the time or more) for SR&ED | 350 + |
| • primarily (more than 50% but less than 90% of the time) for SR&ED. Enter only 50% of the lease costs | PT-1 |
| if you use the proxy method. If you use the traditional method, enter "0". | 355 + |
| Overhead or other expenditures (enter "0" if you use the proxy method) | 360 + |
| Subtotal (add lines 300 to 360; do not add line 315) | 365 = |
| Third-party payments (complete Schedule A) | 370 + |
| Total current SR&ED expenditures (add lines 365 and 370) | 380 = |
| Capital expenditures (for ASA equipment, see guide) | 390 + |
| Total allowable SR&ED expenditures (add lines 380 and 390) | 400 = |

| Step 2 – Pool of deductible SR&ED expenditures | | |
|---|-------|-----------|
| Amount from line 400 | | |
| less | | |
| government and non-government assistance for expenditures included on line 400 | 430 - | |
| SR&ED ITC claimed last year (other than ITC on shared-use equipment) | 435 - | 124,748 |
| sale of SR&ED capital assets (see guide) and other deductions | 440 - | |
| add | | |
| previous year's ending balance in the pool of deductible SR&ED expenditures | 450 + | 1,208,225 |
| amount of ITC recaptured in the preceding tax year | 453 + | |
| adjustments to the pool of deductible expenditures (complete Schedule B, Section 1) | 454 + | |
| Amount available for deduction (If the amount is negative, enter "0" and add to income in the year) | 455 = | 1,083,477 |
| Deduction claimed in the year | 460 - | |
| Current year's balance of deductible SR&ED expenditures applicable to future years | | |
| (line 455 minus line 460) | 470 = | 1,083,477 |

| Step 3 – Qualified SR&ED expenditures for ITC purposes Enter the breakdown between current and capital expenditures for ITC purposes | 3. | | Current Expenditures | | Capital Expenditures |
|--|--|---|--|---------------------------------|-------------------------|
| Total expenditures for SR&ED (from lines 380 and 390) | 492 | _ | 49 | 6 | |
| add | | | | | |
| unpaid amounts (other than salaries or wages) from previous years that were paid in the year under subsection 127(26) | 500 | +_ | | | |
| prescribed proxy amount (complete Schedule D); enter "0" if you use the traditional method | 502 | +_ | | | |
| expenditures on shared-use-equipment (See Note 1) | | | 50 | | |
| qualified expenditures transferred to you (from Form T1146) | 508 | + _ | 51 | 0 + | |
| less | | | | | |
| government and non-government assistance, and contract payments | 534 | _ | 53 | 6 - | |
| amounts from lines 552 and 554 of Schedule B, Section 2 | 552 | | | 4 – | |
| amounts from lines 555 and 556 of Schedule C | 555 | | | 6 - | |
| Subtotal | 557 | = _ | | 8 = | |
| SR&ED qualified expenditure pool (add lines 557 and 558) | | _ | 55 | | |
| add | _ | | | | |
| Repayments of assistance and contract payments made in the year | | | 56 | 0 + | |
| Total SR&ED expenditures that qualify for ITC purposes (add lines 559 and | _ l 560)* | | 57 | | |
| *To claim an ITC on this amount, you must complete Schedule T2 SCH 31 – In Investment Tax Credit (Individuals), whichever applies. | , | | ax Credit – Corporation | n, or l | Form T2038(IND), |
| The expenditure is deemed to be 1/4 of the capital cost of the equipment. Certa was purchased from a non-arm's length supplier (see the explanations for lines Part 4 – Background Information This information is used to administer the SR&ED program. | | | | | 4 |
| · • | 070) | | | 005 | |
| Expenditures for SR&ED performed by you (line 400 minus lines 340, 345, and A. Sources of funds for SR&ED From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within | 370) | | | 605 | |
| your organization | | | 6 " (0/) | | |
| | C | 20 | Canadian (%) | | Foreign (%) |
| Internal | 60 | _ | Canadian (%) | COA | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies | _ | 00 02 | Canadian (%) | 604 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED | 60 | 02 | Canadian (%) | 604 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) | 60 | 02 06 | Canadian (%) | 604 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts | 60 | 02 06 08 | Canadian (%) | 604 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding | 60 | 02 06 08 10 | Canadian (%) | | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf | 60 60 60 60 60 | 02 06 08 10 | Canadian (%) | 614 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel | 60 60 60 60 60 | 02 06 08 10 | | 614 618 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel Total number of employees | 60 66 66 66 | 06 08 10 12 | | 614 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel Total number of employees SR&ED personnel (full-time SR&ED staff, plus full-time equivalent for staff eng | 60 60 60 60 60 60 60 60 | 02 | me in this activity): | 614 618 630 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel Total number of employees SR&ED personnel (full-time SR&ED staff, plus full-time equivalent for staff eng Scientists and engineers 632 Tech | 66 66 66 66 66 | 02 | me in this activity): d tehnicians | 614 618 | Foreign (%) |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel Total number of employees SR&ED personnel (full-time SR&ED staff, plus full-time equivalent for staff eng Scientists and engineers Tech | 66 66 66 66 66 | 02 | me in this activity): | 614 618 630 | Foreign (%) |
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| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel Total number of employees SR&ED personnel (full-time SR&ED staff, plus full-time equivalent for staff eng Scientists and engineers Managers and administrators C. Nature of SR&ED work From the total you entered on line 605, estimate the approximate distribution of Basic research (no specific application in view) Development of new: product Provincial funding SR&ED Technology Technology Technology Technology Technology Technology Applied research Technology | aged phologist technologisearch (ss. 656 | 06 | me in this activity): d tehnicians upporting staff D effort: | 614 618 630 634 638 | view) 652 658 |
| Internal Parent companies, subsidiaries, and affiliated companies Federal grants (do not include funds or tax credits from SR&ED tax incentives) Federal contracts Provincial funding SR&ED contract work performed for other companies on their behalf Other funding (e.g., universities, foreign governments) B. Business personnel Total number of employees SR&ED personnel (full-time SR&ED staff, plus full-time equivalent for staff eng Scientists and engineers Managers and administrators C. Nature of SR&ED work From the total you entered on line 605, estimate the approximate distribution of Basic research (no specific application in view) Development of new: product Improvement to existing: product Provincial funding From SR&ED Applied research From the total you entered on line 605, estimate the process From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of From the total you entered on line 605, estimate the approximate distribution of the youngent of the y | aged phologist technologisearch (ss. 656 | 06 | me in this activity): d tehnicians upporting staff D effort: fic practical applicatio | 614 618 630 634 638 | /iew) 652 658 |
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| Complete Claim Checklist | | |
|---|--------------------------------------|-------------------------|
| To speed up the processing of your claim, make sure you have: | | |
| 1. Used the current version of Form T661 if you are filing a current-year claim | | X |
| 2. Signed the "Certification and Election" section in Part 1 of Form T661 | | |
| 3. Indicated the method you have chosen for reporting your SR&ED expenditures in fiel | ds 160 or 162 of Part 1 . | |
| 4. Provided a summary of information for each project, with a breakdown of expenditure as per Schedule E | es (labour, materials and contr | acts) |
| 5. Submitted a detailed project description of your 20 largest projects in terms of their d | lollar value | |
| 6. Retained documents prepared to support the SR&ED expenditures claimed in Part 3. you have up to 12 months after the filing-due date of your tax return for the year to so | | nditure, |
| 7. Completed Part 4 - Background Information | | |
| 8. Completed schedule A, B, C, D, E and F, if they apply to your situation, and attached | to form T661 | |
| 9. Filed a completed Schedule T2 SCH 31, Investment Tax Credit – Corporations, or Fo Credit (Individuals), to claim ITCs on your qualified SR&ED expenditures | orm T2038 (IND), <i>Investment T</i> | ¯ах |
| year you incurred the expenditures. If you do not meet this reporting deadline, you schedule A – Third-Party Payments for SR&ED You must complete a Schedule A for each third-party payment for SR&ED (attach to For Schedule B – Special Situations (attach to Form T661). | | |
| Section 1 – Adjustments to the pool of deductible SR&ED expenditures incurred in | n Canada | |
| Repayments of government and non-government assistance (include only the repayr | ments of | |
| assistance that previously reduced the deductible SR&ED expenditure pool) | 445 + | |
| SR&ED expenditure pool transfer from amalgamation or wind-up Total (add lines 445 and 452) | 452 + 454 = | |
| Total (add lines 445 and 452) | | |
| Report on line 454 in Part 3, Step 2 of For Section 2 – Adjustments to the qualified SR&ED expenditures for ITC purposes | rm 1661 | |
| Unpaid amounts (other than salary or wages on line 315) deemed not to be incurred in the year under subsection 127(26) 520 | Current Expenditures | Capital Expenditures |
| • Current expenditures for SR&ED contract paid or payable to, or for the | | |
| benefit of a person or partnership that is not a taxable supplier in respect | | |
| of the expenditures 528 | - | |
| Prescribed expenditures (Section 2902 of the Regulations) 530 | - <u>532</u> - 550 - | |
| • Other deductions (see guide) 548 | | |
| Total (add lines 520, 528, 530, and 548, also add lines 532 and 550) 552 | 554 = | |
| Report on lines 552 and 554 respectively in Part 3, S | tep 3 of Form T661 | |

Schedule C – Non-Arm's Length Transactions (attach to Form T661).

| | Current Expenditures | | Capital Expenditures |
|--------------|-------------------------|----------------------------------|---|
| 522 – | 52 | 24 – | |
| 526 | | | |
| 538 - | 54 | 40 - | |
| 544 - | 54 | 46 – | |
| 555 = | 55 | 56 = | |
| | 538 - 544 - | 522 - 55 526 - 538 - 544 - 55 | 522 - 524 - 526 - 540 - 538 - 546 - 544 - 546 - |

Note 1

Subsections 127(11.6) to (11.8) provide rules for determining a taxpayer's expenditures to services rendered by, or property acquired from, a non-arm's length supplier. On line 522, enter the difference, if any, between the amount included in your SR&ED expenditure pool for the purchases of goods and services from non-arm's length suppliers and the expenditure's deemed amount under subsection 127(11.6) (read the Guide).

Schedule D - Calculation of Salary Base and Prescribed Proxy Amount

You must complete a Schedule D if you are using the proxy method (attach to Form T661).

Schedule E - List of all SR&ED projects claimed in the year

You must complete a Schedule E for each project you are claiming (attach to Form T661).

Schedule F – Arm's Length and Non-Arm's Length SR&ED Contracts

You must complete a Schedule F if you have made expenditures for SR&ED contracts performed on your behalf (attach to Form T661).

| Name: | Niagara West Transforma | tion Corporation | | |
|-------------|-----------------------------|--------------------------|---------|------------------------|
| BN: 87681 9 | 301 RC 0001 | Taxation Year End: 2005- | 12-31 | For agency use [055] |
| [001] | 87681 9301 RC 0001 | | | |
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| BN: 87681 9301 RC 0001 | Taxation Year End: 2005-12-31 |
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Taxation Year End: 2005-12-31

Name: Niagara West Transformation Corporation

BN: 87681 9301 RC 0001

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BN: 87681 9301 RC 0001 Taxation Year End: 2005-12-31

| | Certification | |
|--------------|---|-----------------------|
| | KAREN BUBISH am a | n authorized signing |
| ficer of the | he corporation. I certify that the following amounts are, to the best of m | ny knowledge, correct |
| d comple | ete, and fully disclose the corporation's income tax payable. These amou | ints also reflect the |
| formatio | n given on the corporation's income tax return for the taxation year noted | d above. |
| | ome (or loss) for income tax purposes Schedule 001, or GIFI [line 200300] | -344 575 |
| Part I ta | x payable [line 200700] | (|
| Part I.3 | tax payable [line 200704] | (|
| Part II s | urtax 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 | V tax payable [line 200728] | (|
| Net prov | vincial and territoral tax payable [line 200760] | (|
| Provinc | ial tax on large corporations [line 200765] | (|
| | rtify that the method of calculating income for this taxation year is constear except as specifically disclosed in a statement attached to this return. | |
| | | OFFICER |
| | | |

Name: **Niagara West Transformation Corporation** BN: 87681 9301 RC 0001 Taxation Year End: 2005-12-31 [600] [601] [602] [603] [604] [700] ITC income recorded for accounting purposes [701] [702] [703] [704] XXXXXXXXXXX [101] # 19 000 [118] [203] [102] 524 000 [119] [204] [103] [120] [205] [104] 192 468 [121] [206] [105] [122] [207] [106] [123] [208] [107] [124] [209] [108] [125] [210] [109] [126] [211] [110] [127] [212] [111] [128] [213] [199] [112] [214] [500] 697 468 [113] [215] [114] XXXXXXXXXX [216]

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Taxation Year End: 2005-12-31

Name: Niagara West Transformation Corporation

BN: 87681 9301 RC 0001

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| [224] | | [304] | | [405] | |
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Taxation Year End: 2005-12-31

Name: Niagara West Transformation Corporation

BN: 87681 9301 RC 0001

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| [100] | | [200] | | [402] | |
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| | | [280] | | [941] | |
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| [110] | 344 575 | [953] | | | XXXXXXXXXX |
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| Name: | Niagara West Transformation Corporation | | | |
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| BN: 87681 | 9301 RC 0001 | Taxation Year End: 2005-12-31 | | |
| [602] | 1 | * | | |
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| [630] | 1 | * | | |
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| Name: | Niagara West Transformation Corporation | | | |
|-----------|---|-------------------------------|--|--|
| BN: 87681 | 9301 RC 0001 | Taxation Year End: 2005-12-31 | | |
| [604] | 1 | * | | |
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BN: 87681 9301 RC 0001 Taxation Year End: 2005-12-31

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- [**201**] 1. 6 192 518 *
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- [205] 1. ______*
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BN: 87681 9301 RC 0001 Taxation Year End: 2005-12-31

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| [490] | | |
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| [100] | KAREN BUBISH |
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| [105] | 905 563 5550 |
| [110] | |
| [130] | 2 |
| [132] | 2004 |
| [142] | 2 |
| [145] | |
| [150] | |
| [155] | KPMG LLP |
| [160] | |
| [162] | |
| [165] | KAREN BUBISH |
| [170] | |
| [200] | |
| [206] | |
| [315] | |
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| [672] | |

| Name: | Niagara West Transformation Corporation | | | |
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| BN: 87681 | 9301 RC 0001 | Taxation Year End: 2005-12-31 | | |
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| [210] | 1 | al _e | | |
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| [212] | 1 | *4* | | |

| Name: | Niagara | West | Transformation | Corporation |
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| ame: | Niagara West Transformation Corporation | | |
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| BN: 87681 | 9301 RC 0001 | Taxation Year End: 2005-12-31 | |
| [926] | 1 | * | |
| [928] | 1 | * | |
| [930] | 1 | * | |
| [932] | 1 | * | |
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BN: 87681 9301 RC 0001 Taxation Year End: 2005-12-31

| [300] | | [460] | | [600] | |
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| [305] | | [470] | 1 083 477 | [602] | |
| [310] | | | XXXXXXXXXX | [604] | |
| [320] | | | | [606] | |
| [325] | | [500] | | [608] | |
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| [390] | | [532] | | [654] | |
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| [400] | | [538] | | [660] | |
| [430] | | [540] | | [662] | |
| [435] | 124 748 | [544] | | [664] | |
| [440] | | [546] | | | XXXXXXXXXX |
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| [450] | 1 208 225 | [550] | | [812] | |
| [452] | | [560] | | [816] | |
| [453] | | [570] | | [818] | |
| [455] | 1 083 477 | | XXXXXXXXXX | | XXXXXXXXXX |
| | XXXXXXXXXX | | | | |

| Name: | Magara West Transformation Corporation | | |
|-----------|--|---|-------------------------------|
| BN: 87681 | 9301 RC 0001 | | Taxation Year End: 2005-12-31 |
| [856] | 1 | * | |
| [858] | 1 | * | |
| [860] | 1 | * | |
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Taxation Year End: 2005-12-31

| Name: | Niagara West Transformation Corporation | | | |
|----------------|--|------|---|------------|
| BN: 87681 | 1 9301 RC 0001 | | | Taxation Y |
| [100] | Niagara Power Inc. Peninsula West Power | Inc. | * | |
| [200] | 1. 86880 5920 RC 0001 2. 89108 9419 RC 0001 | * | | |
| [300] | 1 2 | * | | |
| [350] | 1 2 | * | | |
| [400] | 1. 50 2. 50 ** | | | |
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| Name: | Niogoro | West Tree | ncformation | Corporation |
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| Name: | Magara | west irai | ustormauon | Corboration |

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| [1000] | 26 534 |
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| [1060] | 88 278 |
| [1066] | 486 552 |
| [1484] | 2 533 |
| [1599] | 603 897 |
| [1740] | 7 241 691 |
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| [2600] | |
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| [2620] | 107 799 |
| [3139] | 107 799 |
| [3140] | 5 882 000 |
| [3240] | 414 000 |
| [3450] | 6 296 000 |
| [3499] | 6 403 799 |
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| [3500] | 100 |
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| [3520] | 2 400 000 |
| [3600] | # 958 311 |
| [3620] | 1 441 789 |
| | XXXXXXXXXX |
| [3660] | # 194 601 |

| [] | , |
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| [3680] | # 763 710 |
| [3849] | # 958 311 |
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| Name: | e: Niagara West Transformation Corporation | | | |
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| BN: 87681 9301 RC 0001 | | | Taxation Year End: 2005-12-31 | |
| [0001] [0002] | | | | |
| [| XXXXXXXXXX | | | |
| [0003] | | | | |
| | XXXXXXXXXX | | | |
| [8519] | 506 060 | [9368] | 796 566 | |
| [9369] | # 258 710 | | XXXXXXXXXX | |
| [9899] | | | | |
| [9970] | # 258 710 | [9370] | | |
| [9975] | | [9659] | 0 | |
| [9976] | | | XXXXXXXXXX | |
| [9980] | | | | |
| [9985] | | [9660] | | |
| [9990] | # 19 000 | [9898] | 0 | |
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| [9999] | # 763 710 | | | |
| | XXXXXXXXXX | | | |
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| [8090] | 31 796 | | | |
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| | XXXXXXXXXX | | | |
| [8300] | | | | |
| [8670] | 192 468 | | | |
| [8710] | 430 753 | | | |
| [8871] | 173 345 | | | |
| [9367] | 796 566 | | | |

| Name: Niagara West Transformation Corporation | Name: | Niagara | West Tra | nsforma | ition (| Corporation |
|---|-------|---------|----------|---------|---------|-------------|
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BN: 87681 9301 RC 0001 Taxation Year End: 2005-12-31

[095] 1 [097] 2 [198] [099] 2 [101] 1 [102] 2 [103] 2 [104] 2 [105] [106] 2

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Canada Customs and Revenue Agency

Agence 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 |
|-----|----------------------|
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| | |

| □ Identification — | |
|---|---|
| Business Number (BN) | |
| Corporation's name | |
| 002 Niagara West Transformation Corporation | |
| Has the corporation changed its name since the last time we were notified? Output 1 Yes 2 No X | If Yes, do you have a copy of the articles of amendment? |
| Address of head office Has the address changed since the last time we were notified? | To which taxation year does this return apply? Taxation year start Taxation year end 060 2005-01-01 YYYY MM DD Has there been an acquisition of control |
| City Province, territory, or state | to which subsection 249(4) applies since the previous taxation year? 063 1 Yes 2 No X |
| O15 Beamsville O16 ON Country (other than Canada) Postal code/Zip code O17 O18 LOR 1B5 | If Yes, provide the date control was acquired |
| Mailing address (if different from head office address) Has the address changed since the last time we were notified? | Is the corporation a professional corporation that is a member of a partnership? |
| 021 C/O | Is this the first year of filing after: Incorporation? |
| Country (other than Canada) Postal code/Zip code 027 Location of books and records Has the location of books and records | Has there been a windup of a subsidiary under section 88 during the current taxation year? |
| changed since the last time we were notified? | Is this the final taxation year before amalgamation? |
| 032 | Is this the final return up to dissolution? |
| City Province,territory, or state 035 Beamsville 036 ON | Is the corporation a resident of Canada? |
| Country (other than Canada) Postal code/Zip code 037 Postal code/Zip code | 080 1 Yes X 2 No If No, give the country of residence on line 081 and complete and attach Schedule 97. |
| Type of corporation at the end of the taxation year 1 X Canadian-controlled private corporation (CCPC) 4 Corporation controlled by a public corporation Other private 5 Other corporation | 081 Is the non-resident corporation claiming an exemption under an income tax treaty? |
| 2 Other private corporation (specify, below) | If Yes, complete and attach Schedule 91. |
| 3 Public corporation | 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 (I) |
| If the type of corporation changed during the taxation year, provide the effective date of the change | 2 Exempt under paragraph 149(1)(j) 3 Exempt under paragraph 149(1)(t) 4 Exempt under other paragraphs of section 149 |
| Do not use the | |
| 091 092 093 09 | 94 095 096 |

| 2005-12-31 Nia | gara West Transformation 87681 S | n Corporatio 9301 RC000 |
|---|---|----------------------------|
| Attachments | | |
| Financial statement information: Use GIFI schedules 100, 125, and 141. Schedules – Answer the following questions. For each <i>Yes</i> response, attach to the T2 return the schedule that applies. | | |
| | Ye | es Schedule |
| Is the corporation related to any other corporations? | 150 | 9 |
| Does the corporation have any non-resident shareholders? | 151 | 19 |
| Is the corporation an associated Canadian-controlled private corporation? | 160 | 23 |
| Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit | t? 161 | 49 |
| Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or em | | _ |
| other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-re- | | 11 |
| If you answered Yes to the above question, and the transaction was between corporations not dealing at arm | | ٦ |
| were all or substantially all of the assets of the transferor disposed of to the transferee? | | 44 |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | | 14 |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan? Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? | 166 | 15 |
| Is the corporation a member of a partnership for which a partnership identification number has been assigned | | T5004 T5013 |
| Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did | 1: 101 | 15013 |
| not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? | 168 | 22 |
| Did the corporation have any foreign affiliates during the year? | 169 | 25 |
| Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) | | |
| of the federal Income Tax Regulations? | | 29 |
| Has the corporation had any non-arm's length transactions with a non-resident? | <u>171</u> | T106 |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? | 172 | |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation | | , |
| common and/or preferred shares? | 173 2 201 2 2 2 2 2 2 2 2 2 | , |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax pu | | - ' |
| Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological properties or ecological properties of cultural or ecological properties or ecological properties of cultural or ecological properties or ecological | | _ 2 |
| Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund | ? 203 | 3 |
| Is the corporation claiming any type of losses? | | |
| Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdicti | on? 205 | 5 |
| Has the corporation realized any capital gains or incurred any capital losses during the taxation year? i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than | | 6 |
| dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal | 1 | |
| services business; or ii) is the corporation claiming the refundable portion of Part I tax? | 207 | 7 |
| Does the corporation have any property that is eligible for capital cost allowance? | 208 | 8 |
| Does the corporation have any property that is eligible capital property? | 210 | 10 |
| Does the corporation have any resource-related deductions? | | 12 |
| Is the corporation claiming reserves of any kind? | <mark>213</mark> | 13 |
| Is the corporation claiming a patronage dividend deduction? | | 16 |
| Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an addition | al deduction? 217 | 17 |
| Is the corporation an investment corporation or a mutual fund corporation? | | 18 |
| Was the corporation carrying on business in Canada as a non-resident corporation? | | 20 |
| Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax | | 21 |
| | | 26 * |
| Does the corporation have any Canadian manufacturing and processing profits? | | 27 |
| Is the corporation claiming an investment tax credit? | | 31 |
| Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures? | | C T661 |
| Is the corporation subject to gross Part I.3 tax? | | 33/34/35 |
| | 236 | 36 |
| Is the corporation claiming a surtax credit? | | 37 |
| Is the corporation subject to gross Part VI tax on capital of financial institutions? | | 38 |
| Is the corporation claiming a Part I tax credit? | | 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? | | 43 |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | | 45 |
| Is the corporation subject to Part II - Tobacco Manufacturers' surtax? | | 46 |
| more members subject to gross Part VI tax? | 250 | 39 |

Is the corporation subject to Part XIII.1 tax?

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

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

* We do not print this schedule.

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T1177

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| ─ Attachments – continued from page 2 ─────────────────────────────────── | \neg |
|--|--------|
| Yes Schedu | ıle |
| Did the corporation have any foreign affiliates that are not controlled foreign affiliates? | Α |
| Did the corporation have any controlled foreign affiliates? | В |
| Did the corporation own specified foreign property in the year with a cost amount over \$100,000? | ; |
| Did the corporation transfer or loan property to a non-resident trust? | |
| Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? | |
| Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? 262 | , |
| of SR&ED contracts? | , |
| Has the corporation entered into an agreement with other associated corporations for salary | |
| or wages of specified employees for SR&ED? | ļ |
| Additional information | 7 |
| Is the corporation inactive? | - 1 |
| Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) 281 1 Yes 2 No X | |
| What is the corporation's major business activity? | - |
| (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, transmission of electrons 285, 100,000 g/ | |
| sold constructed or services provided giving the | |
| rapproximate percentage of the total revenue that each | |
| product or service represents. | |
| Did the corporation immigrate to Canada during the taxation year? 291 1 Yes 2 No X 2 N | |
| Taxable income | |
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI 300 | Α |
| Deduct: Charitable donations from Schedule 2 | |
| Gifts to Canada, a province, or a territory from Schedule 2 312 | |
| Cultural gifts from Schedule 2 | |
| Ecological gifts from Schedule 2 | |
| Taxable dividends deductible under section 112 or 113, or | |
| subsection 138(6) from Schedule 3 | |
| Part VI.1 tax deduction from Schedule 43 * | |
| Non-capital losses of preceding taxation years from Schedule 4 | |
| · · · · · · · · · · · · · · · · · · · | |
| Restricted farm losses of preceding taxation years from Schedule 4 333 Farm losses of preceding taxation years from Schedule 4 | |
| Limited partnership losses of preceding taxation years from Schedule 4 335 | |
| Taxable capital gains or taxable dividends allocated from | |
| a central credit union | |
| Prospector's and grubstaker's shares | |
| Subtotal ► | В |
| Subtotal (amount A minus amount B) (if negative, enter "0") | С |
| Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions | D |
| Taxable income (amount C plus amount D) | |
| Income exempt under paragraph 149(1)(t) | |
| | _ |
| | Z |

| ┌ Small business deduction ———————————————————————————————————— | | | | | |
|---|---|--|---|-----------|---|
| Canadian-controlled private corporations (CCPCs) throughout the ta | xation yea | ır | | _ | |
| Income from active business carried on in Canada from Schedule 7 | | | 400 | 0 | Α |
| Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page line 636** on page 7, and minus any amount that, because of federal law, is exempt for | | 3 times th | e amount on | 5 | В |
| Calculation of the business limit: | | | | | |
| For all CCPCs, calculate the amount at line 4 below. | | | | | |
| 225,000 × Number of days in the taxation year in 2003 | | _ = | 1 | | |
| Number of days in the taxation year | 365 | | | | |
| 250,000 x Number of days in the taxation year in 2004 | | = | 2 | | |
| Number of days in the taxation year | 365 | | | | |
| 300,000 × Number of days in the taxation year after 2004 | 365 | = | 300,000 3 | | |
| Number of days in the taxation year | 365 | | · · · · · · · · · · · · · · · · · · · | | |
| Add amounts at li | | nd 3 | 300,000 4 | | |
| Business limit (see notes 1 and 2 below) | | | | 300,000 | С |
| Notes: 1. For CCPCs that are not associated, enter the amount from line 4 on line 4 taxation year is less than 51 weeks, prorate the amount from line 4 by the divided by 365, and enter the result on line 410. 2. For associated CCPCs, use Schedule 23 to calculate the amount to be en Business limit reduction: | number of da | ays in the | poration's axation year | | |
| Amount C 300,000 x 415 *** D | _ = | | | • | Ε |
| 11,250 | | | | _ | |
| Reduced business limit (amount C minus amount E) (if negative, enter "C | • | | 42 | | |
| Small business deduction – 16.00 % of whichever amount is the least | t: A, B, C, d | or F | 430 | | G |
| * Calculate the amount of foreign non-business income tax credit deductible on line 6 CCPC's investment income (line 604) and without reference to the corporate tax rec ** Calculate the amount of foreign business income tax credit deductible on line 636 w *** Large corporation tax • The large corporation tax to be entered on line 415 is the gross Part I.3 tax, which credits, increased to reflect a full-year tax liability if the taxation year is less than reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in lift the corporation is not associated with any corporations in both the current and gross Part I.3 tax for its preceding taxation year. • If the corporation is not associated with any corporations in the current taxation year, enter the corporation's gross Part I.3 tax for its current taxation year. • For corporations associated in the current taxation year, see Schedule 23 for the Accelerated tax reduction | ductions und vithout refere ch is the amo 51 weeks. For Canada mithe precedinger, but was | er section nce to the unt before for the pur inus \$10, g taxation associate | e deducting the surtax pose of the business limit 000,000). I years, enter the corporation and in the preceding taxation | | |
| Canadian-controlled private corporations throughout the taxation ye | ar that cla | imed th | | uction | |
| Reduced business limit (amount from line 425) | 30 | 00,000 | x = 300,000 :: | = 300,000 | Α |
| Net active business income (amount from line 400) * | e 636** on | | line 4 above | | В |
| | | | D | | |
| Amount C minus amount D (if negative, enter "0") | | | | | F |
| | | - | | | _ |
| Amount A, B, or E above, whichever is less Amount Z from Part 9 of Schedule 27 Amount QQ from Part 13 of Schedule 27 Taxable resource income (amount from line 435 of page 5) | × 100 / | 7 = _ | G | • | F |
| Amount used to calculate the credit union deduction (amount E in Part 3 of | | | J | | |
| Amount on line 400, 405, 410, or 425 of the small business deduction, wh | ichever is | less _ | K | | |
| Total of amounts G, H, I, J, and K | | = | > | | L |
| Amount F minus amount L (if negative, enter "0") | | | | | М |
| Accelerated tax reduction – 7.00 % of amount M (enter amount N on | line 637 of | page 7) | | | Ν |
| * If the amount at line 450 of Schedule 7 is positive, members of partnerships need to | | | | income. | |
| ** Calculate the amount of foreign business income tax credit deductible at line 636 wi | | | | | |

| Resource deduction | | | | | |
|---|-------------------|---|------------|-----------------------------------|----|
| Taxable resource income | [as defined in s | ubsection 125.11(1)] | | 435 | A |
| Amount A | х | Number of days in the taxation year in 2004 | | x 2% = | В |
| | - | Number of days in the taxation year | 365 | · · · · · · · · · · · · · · · · · | |
| Amount A | x | Number of days in the taxation year in 2005 | 365 | x 3% = | C |
| | | Number of days in the taxation year | 365 | | |
| Amount A | x | realiser of days in the taxation year in 2000 | | x 5% = | D |
| | | Number of days in the taxation year | 365 | | |
| Amount A | x _ | Number of days in the taxation year after 2006 Number of days in the taxation year | 365 | × 7% = | E |
| Resource deduction – to (enter amount F on line 10 | | B, C, D, and E | | 438 | F |
| | | n-controlled private corporations ———ons throughout the taxation year | | | |
| Taxable income from line | 360 on page 3 | | | | A |
| | | × 100 / 7 = | | | |
| | | | | | |
| | | bove | | | |
| | | page 4, whichever is the least | | | |
| | | 40 of page 6 | | | |
| | | tax reduction (amount M of page 4) | | H | |
| Total of amounts B, C, D, | E, F, G, and H | | | > | 1 |
| Amount A minus amount | I (if negative, e | nter "0") | | <u></u> | J |
| Amount J | x | Number of days in the taxation year after 2003 | 365 | x 7 % = | K |
| | | Number of days in the taxation year | 365 | | |
| General tax reduction fo (enter amount L on line 63 | | ntrolled private corporations – amount K | | <u> </u> | L |
| General tax reduction Corporations other than investment corporation, | a Canadian-c | ontrolled private corporation, an investment c ind corporation | orporation | n, a mortgage | |
| Taxable income from line | 360 on page 3 | | | | M |
| Amount Z from Part 9 of S | Schedule 27 | × 100 / 7 = | | | |
| Amount QQ from Part 13 | | | | | |
| Taxable resource income | | | | | |
| Total of amounts N, O, P, | | n deduction (amount E in Part 3 of Schedule 17) | | | R |
| Amount M minus amount | R (if negative, | enter "0") | | <u></u> | S |
| Amount S | х | Number of days in the taxation year after 2003 | 365 | x 7 % = | Т |
| | | Number of days in the taxation year | 365 | | |
| General tax reduction – | amount T | | | | 11 |
| (enter amount U on line 63 | | | | | ` |

| Refundable portion of Part I tax | | |
|--|---|--------------|
| Canadian-controlled private corporations throughout the | - | |
| Aggregate investment income 440 (amount P from Part 1 of Schedule 7) | x 26 2 / 3 % = | A |
| Foreign non-business income tax credit from line 632 on pag | age 7 | |
| Deduct: | | |
| Foreign investment income 445 (amount O from Part 1 of Schedule 7) | x 9 1 / 3 % = (if negative, enter "0") ► | В |
| Amount A minus amount B (if negative, enter "0") | <u> </u> | 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 / 0 | 9 = | |
| Foreign business income tax credit from line 636 of page 7 x 3 | = | |
| | × 26 2 / 3 % = | D |
| Part I tax payable minus investment tax credit refund (line 700 Deduct: Corporate surtax from line 600 of page 7 | | |
| | ······ | ^E |
| Refundable portion of Part I tax – Amount C, D, or E, which | ichever is the least | F |
| ┌ Refundable dividend tax on hand | | |
| Refundable dividend tax on hand at the end of the preceding Deduct: Dividend refund for the previous taxation year . | g taxation year 460 465 | |
| Add the total of: Refundable portion of Part I tax from line 450 above | <u> </u> | G |
| Total Part IV tax payable from line 360 of Schedule 3 Net refundable dividend tax on hand transferred from a procorporation on amalgamation, or from a wound-up subside | oredecessor | н |
| Refundable dividend tax on hand at the end of the taxation | tion year – Amount G plus amount H 485 | |
| └──────────────────────────────────── | | |
| Private and subject corporations at the time taxable divide | ridends were paid in the taxation year | |
| Taxable dividends paid in the taxation year from line 460 of | of Schedule 3 x 1 / 3x | 1 |
| Refundable dividend tax on hand at the end of the taxation | on year from line 485 above | J |
| Dividend refund – Amount I or J, whichever is less (enter the | 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 | A |
| Corporate surtax calculation | | |
| Base amount from line A above | 1 | |
| Deduct: | | |
| 10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 | | |
| Investment corporation deduction from line 620 below | 3 | |
| Federal logging tax credit from line 640 below | | |
| 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 | | |
| 28.00 % of taxed capital gains b | 6 | |
| Part I tax otherwise payable c | | |
| (line A plus lines C and D minus line F) | | |
| Total of lines 2 to 6 | 7 | |
| Net amount (line 1 minus line 7) | 8 | |
| Corporate surtax – 4.00 % of the amount on line 8 | 600 | В |
| 4.00 % of the amount on line o | | |
| 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) inve (if it was a CCPC throughout the taxation year) | stment income | |
| Aggregate investment income from line 440 on page 6 | i | |
| Taxable income from line 360 on page 3 | <u> </u> | |
| Deduct: | | |
| Amount on line 400, 405, 410, or 425 of page 4, | | |
| whichever is the least | | |
| Net amount | ii | |
| Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or | # 604 | D |
| | | |
| Subtotal (add lines A | A, B, C, and D) | E |
| Deduct: | | |
| Small business deduction from line 430 of page 4 | 9 | |
| Federal tax abatement 608 | | |
| Manufacturing and processing profits deduction from amount BB | | |
| or amount RR of Schedule 27 | | |
| Investment corporation deduction | | |
| (taxed capital gains 624) | | |
| Additional deduction – credit unions from Schedule 17 | | |
| Federal foreign non-business income tax credit from Schedule 21 632 | | |
| Federal foreign business income tax credit from Schedule 21 | | |
| Accelerated tax reduction from amount N on page 4 | | |
| Resource deduction from line 438 on page 5 | 10 | |
| General tax reduction for CCPCs from amount L on page 5 638 | | |
| General tax reduction from amount U on page 5 | | |
| Federal logging tax credit from Schedule 21 | | |
| Federal political contribution tax credit | | |
| Federal qualifying environmental trust tax credit | | |
| Investment tax credit from Schedule 31 | | |
| Apprenticeship job creation tax credit | | |
| Subtotal | | F |
| | | |
| Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) | · · · · · · · · · · · · <u> </u> | |

| Summary of tax and credits | | | |
|---|---|--|----------|
| Federal tax | | | |
| Part I tax payable from page 7 | | | |
| Part I.3 tax payable from Schedule 33, 34, | or 35 | 704 | |
| Part II surtax payable from Schedule 46 | | | |
| Part IV tax payable from Schedule 3 | | | |
| Part IV.1 tax payable from Schedule 43 | | | |
| 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 | |
| Add provincial or territorial tax: | Onto: | | |
| Provincial or territorial jurisdiction 750 | | <u> </u> | |
| (if more than one jurisdiction, enter "mu | | | |
| Net provincial or territorial tax payable (exc | - | 765 | |
| Provincial tax on large corporations (New I | Brunswick and Nova Scotia) | | |
| | | Total tax payable 770 | Δ |
| Deduct other credits: | | Total tax payable 1110 | |
| Investment tax credit refund from Schedule | e 31 | 780 | |
| | | 784 | |
| Federal capital gains refund from Schedule | e 18 | 788 | |
| Federal qualifying environmental trust tax | | 792 | |
| Canadian film or video production tax cred | | 796 | |
| Film or video production services tax credi | | 797 | |
| | | | |
| Total payments on which tax has been | | | |
| Allowable refund for non-resident-owned investme | | 804 | |
| Provincial and territorial capital gains refur | • | 808 | |
| Provincial and territorial refundable tax cre | | 812 | |
| Royalties deductible under Syncrude Remissio | | | |
| Tax remitted under Syncrude Remission O | | 816 | |
| | | 840 | |
| | . Tota | al credits 890 | В |
| Refund code 894 Overpayment | · | Balance (line A minus line B) | |
| Direct deposit request | | If the result is negative, you have an overpa | vment |
| To have the corporation's refund deposited | directly into the corporation's | If the result is positive, you have a balance i | • |
| bank account at a financial institution in Car | | Enter the amount on whichever line applies. | |
| information you already gave us, complete | the information below: | Generally, we do not charge or refund a diffe | rence |
| Start Change information | 910 | of \$2 or less. | |
| | Branch number | Balance unpaid | ↓ |
| 914 918 | Account number | Enclosed payment 898 | |
| Institution number | Account number | | |
| If the corporation is a Canadian-controlled pri does it qualify for the one-month extension of | | | X |
| does it quality for the one-month extension of | The date the balance of tax is do | ze: 2 No | <u> </u> |
| Certification ———————————————————————————————————— | | | |
| I, 950 BUBISH | 951 KAREN | 954 OFFICER | |
| Lastname | First name | | :ank |
| | | , including accompanying schedules and statements, and the | |
| | | further certify that the method of calculating income for this | j |
| taxation year is consistent with that of the previous ye | ar except as specifically disclosed in a | | |
| 955 | to a contract of the contract | 956 (905) 563-555 | |
| , , , | ture of the authorized signing officer of | · · | |
| Is the contact person the same as the authorized sign | ning officer? If No, complete the inform | |) [] |
| 958 | Name | 959 | |
| | Name | Telephone | number |
| - Language of correspondence – Langu | ue de correspondance — | | |

990

Indicate the language in which you would like to receive correspondence.

Indiquer la langue de correspondance de votre choix.

2 Français / French

1 English / Anglais X



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 |
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

Balance sheet information

| Account | Description | GIFI | Amount | Prior year |
|------------|---|------------|-----------|------------|
| Assets - | | | | |
| | Total current assets | . 1599 + _ | 603,897 | 300,917 |
| | _ Total tangible capital assets | . 2008 + _ | 7,241,691 | 7,901,143 |
| | Total accumulated amortization of tangible capital assets | | | |
| | _ Total intangible capital assets | . 2178 + _ | | |
| | Total accumulated amortization of intangible capital assets | | | |
| | _ Total long-term assets | | | 110,000 |
| | _* Assets held in trust | 2590 + _ | | |
| | _ Total assets (mandatory field) | 2599 = _ | 7,845,588 | 8,312,060 |
| Liabilitie | S Total current liabilities | . 3139 + | 107,799 | 6,106,561 |
| | Total long-term liabilities | | 6,296,000 | 0,100,501 |
| | *Subordinated debt | | 0,270,000 | |
| | *Amounts held in trust | 3470 + | | |
| | Total liabilities (mandatory field) | 3499 = | 6,403,799 | 6,106,56 |
| Sharehol | der equity———————————————————————————————————— | | | |
| | Total shareholder equity (mandatory field) | 3620 + | 1,441,789 | 2,205,499 |
| | Total liabilities and shareholder equity | 3640 = | 7,845,588 | 8,312,060 |
| Retained | earnings — | | | |
| | Retained earnings/deficit – end (mandatory field) | 3849 = | -958,311 | -194,601 |

^{*} Generic item

Current Assets

| A 4 | Barriera | OIEI | A | Form identifier 159 |
|------------|---|------------------------------|---------|---------------------|
| Account | Description | GIFI | Amount | Prior year |
| Cash and | I deposits — | | | |
| | *Cash and deposits | 1000 | 26,534 | 35,643 |
| | - Cash | 1001 | | · |
| | Deposits in Canadian banks and institutions – Canadian currency | 1002 | | |
| | Deposits in Canadian banks and institutions – foreign currency | 1003 | | |
| | Deposits in foreign banks – Canadian currency | 1004 | | |
| | Deposits in foreign banks – foreign currency | 1005 | | |
| | Credit union central deposits | 1006 | | |
| | Other cash like instruments | 1007 | | |
| | Cash and deposits | | 26,534 | 35,643 |
| | | _ | | |
| Accounts | s receivable ———————————————————————————————————— | | | |
| | _* Accounts receivable | 1060 | 88,278 | 86,121 |
| | _ Trade accounts receivable | 1062 | | |
| | Trade accounts receivable from related parties | 1064 | | |
| | _ Taxes receivable | 1066 | 486,552 | 2,009 |
| | Interest receivable | 1067 | | |
| | Holdbacks receivable | 1068 | | |
| | Leases receivable | 1069 | | |
| | Accounts receivable from employees | 1071 | | |
| | Amounts receivable from members of NPOs | 1073 | | |
| | Accounts receivable | +_ | 574,830 | 88,130 |
| | | | | |
| Allowand | e for doubtful accounts | | | |
| | *Allowance for doubtful accounts | 1061 | | |
| | Allowance for doubtful trade accounts receivable | 1063 | | |
| | Allowance for doubtful trade accounts receivable from related parties . | 1065 | | |
| | Allowance for doubtful amounts contained in leases receivable | 1070 | | |
| | Allowance for doubtful accounts receivable from employees | 1072 | | |
| | Allowance for doubtful accounts | | | |
| Inventori | es — | | | |
| | *Inventories | 1120 | | |
| | Inventory of goods for sale | 1121 | | |
| | Inventory parts and supplies | 1122 | | |
| | Inventory properties | 1123 | | |
| | Inventory of aggregates | 1124 | | |
| | Work in progress | 1125 | | |
| | Raw materials | 1126 | | |
| | Inventory of securities | 1127 | | |
| | Inventories | +_ | | |
| | | | | |
| Short-ter | m investments | | | |
| | _* Short-term investments | 1180 | | |
| | Canadian term deposits | 1181 | | |
| | - | | | |
| | Canadian shares | 1182 | | |
| | Canadian shares | 1183 | | |
| | Canadian shares Canadian bonds Canadian treasury bills | 1183 1184 | | |
| | Canadian shares Canadian bonds Canadian treasury bills Securities purchased under resale agreements | 1183 1184 1185 | | |
| | Canadian shares Canadian bonds Canadian treasury bills | 1183 1184 1185 1186 | | |
| | Canadian shares Canadian bonds Canadian treasury bills Securities purchased under resale agreements | 1183 1184 1185 | | |

| *Loans and notes receivable | | |
|--|---------|---|
| Demand loans receivable | | |
| Other loans receivable | | |
| Notes receivable | | |
| Mortgages receivable | | |
| Loans and notes receivable + | | |
| Due from shareholder(s)/director(s) | | |
| * Due from shareholder(s)/director(s) | | |
| Due from individual shareholder(s) | | |
| Due from corporate shareholder(s) | | |
| Due from director(s) | | |
| Due from shareholder(s)/director(s) + | | |
| *************************************** | | |
| * Investment in joint venture(s)/partnership(s) 1360 + | | |
| * Due from joint venture(s)/partnership(s) | | |
| Due from/investment in related parties | | |
| * Due from/investment in related parties | | |
| Demand notes from related parties | | |
| Interest receivable from related parties | | |
| Loans/advances due from related parties | | |
| Due from/investment in related parties + _ | | |
| * Customers' liability under acceptances | | |
| Other current assets | | |
| * Other current assets | | 177,14 |
| Future (deferred) income taxes | | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| Accrued investment income | | |
| Taxes recoverable/refundable | | |
| Prepaid expenses | 2,533 | |
| Drilling advances | | |
| Security/tender deposits | | |
| Other current assets + | 2,533 | 177,14 |
| Total current assets 1599 = | 603,897 | 300,91 |

^{*} Generic item

Tangible Capital Assets and Accumulated Amortization

| Account | Description | GIFI | Tangible capital assets | Accumulated amortization | Form identifier 2008/20 Prior year |
|-----------|--|--------|-------------------------|--------------------------|-------------------------------------|
| Land — | | | | | |
| | *Land | 1600 + | | | |
| | Land improvements | 1601 + | | | |
| | _ Accumulated amortization of land improvements | 1602 | - | | |
| | Total | | | | = |
| Depletab | ole assets | | | | |
| | * Depletable assets | 1620 + | | | |
| | *Accumulated amortization of depletable assets | 1621 | | _ | |
| | Petroleum and natural gas properties | 1622 + | | | |
| | Accumulated amortization of petroleum and | | | | |
| | natural gas properties | 1623 | - | - | |
| | _ Mining properties | 1624 + | | | |
| | _ Accumulated amortization of mining properties | 1625 | - | | |
| | Deferred exploration and development charges . | 1626 + | | | |
| | Accumulated amortization of deferred | 1627 | | | |
| | exploration and development charges | | _ | <u> </u> | |
| | _ Quarries | | | | |
| | = · | | _ | <u> </u> | |
| | _ Gravel pits | 10001 | | | |
| | _ Accumulated amortization of gravel pits Timber limits | 1632 + | _ | | _ |
| | _ Timber limits Accumulated amortization of timber limits | 1633 | | | |
| | Accumulated amortization of timber limits Total | | _ | | - - |
| | Total | | | - | = |
| Building | s | | | | |
| • | *Buildings | 1680 + | | | |
| | *Accumulated amortization of buildings | | | _ | |
| | Manufacturing and processing plant | | | | |
| | Accumulated amortization of manufacturing | | | | |
| | and processing plant | | _ | | |
| | Buildings under construction | 1684 + | | | |
| | Total | | | | = |
| Machine | ry, equipment, furniture and fixtures | | | | |
| Maoriirie | * Machinery, equipment, furniture, and fixtures | 1740 + | 7,241,691 | | 7,901,14 |
| | *Accumulated amortization of machinery, | | | | |
| | equipment, furniture, and fixtures | 1741 | _ | | |
| | _ Motor vehicles | 1742 + | | | |
| | _ Accumulated amortization of motor vehicles . | 1743 | _ | | |
| | _ Tools and dies | 1744 + | | | |
| | _ Accumulated amortization of tools and dies | 1745 | - | | |
| | Construction and excavating equipment | 1746 + | | | |
| | Accumulated amortization of construction | 7575 | | | |
| | and excavating equipment | 1747 | _ | <u> </u> | - - |
| | Forestry and logging equipment Accumulated amortization of forestry and | 1748 + | | | |
| | logging equipment | 1749 | _ | _ | |
| | Fishing gear and nets | 1750 + | | | |
| | Accumulated amortization of fishing gear and | | | | |
| | _ | 1751 | _ | _ | |
| | nets | 1701 | | | |
| | nets Mining equipment | 1752 + | | | |
| | | | | - | |

| ┌ Machinery, ed | quipment, furniture and fixtures (continued) | | |
|------------------|---|----------|---|
| Δ | accumulated amortization of oil and gas | | |
| | stems | _ | |
| | oduction equipment for resource industries 1756 + | | |
| | accumulated amortization of production | | |
| | uipment for resource industries 1757 | _ | |
| | oduction equipment for other than resource | | |
| | ustries | | |
| | accumulated amortization of production | | |
| | uipment for other than resource industries 1759 | _ | |
| | · | | |
| | ploration equipment | | |
| | uipment | _ | |
| - | | | |
| | | | |
| | accumulated amortization of shipping | | |
| | uipment 1763 | | |
| | ips and boats 1764 + | | |
| A | accumulated amortization of ships and boats 1765 | | |
| Air | craft 1766 + | | |
| Д | accumulated amortization of aircraft 1767 | _ | |
| Sig | ıns 1768 + | | |
| | Accumulated amortization of signs 1769 | _ | |
| | nall tools | | |
| | accumulated amortization of small tools 1771 | _ | |
| | | | |
| | dio and communication equipment 1772 + | | - |
| | accumulated amortization of radio and | | |
| | mmunication equipment | | |
| | mputer equipment/software 1774 + | | |
| | accumulated amortization of | | |
| | mputer equipment/software | | |
| | sical instruments | | |
| | accumulated amortization of musical | | |
| | truments | - | - |
| | tellites 1778 + | | |
| | accumulated amortization of satellites 1779 | | |
| Ea | rth stations | | |
| A | accumulated amortization of earth stations 1781 | | · |
| Ma | chinery and equipment under construction 1782 + | | |
| Tra | ansportation equipment | | |
| Α | ccumulated amortization of transportation | | |
| | uipment 1784 | _ | |
| Oth | ner machinery and equipment 1785 + | | |
| | accumulated amortization of other | | |
| ma | chinery and equipment | _ | |
| | rniture and fixtures 1787 + | | |
| | Accumulated amortization of furniture | | |
| and | d fixtures 1788 | _ | |
| | Total 7,241,691 | | |
| | | | |
| – Other tangible | e capital assets | | |
| | · · · · · · · · · · · · · · · · · · · | | |
| | | | |
| | Accumulated amortization of other tangible oital assets | _ | |
| | | | - |
| | gging roads | | |
| | accumulated amortization of logging roads 1903 | | |
| | phalt and parking areas 1904 + | | |
| | accumulated amortization of asphalt and | | |
| | rking areas | | |
| | narves 1906 + | | |
| A | accumulated amortization of wharves 1907 | | |
| I | | | |

| Total accumulated amortization of tangible capital assets | 2009 | | = | |
|---|--------|-----------|------------|-----------|
| Total tangible capital assets | 2008 = | 7,241,691 | | 7,901,143 |
| То | tal | | | _ |
| _ Accumulated amortization of campsites | 1922 | | | |
| _ Campsites | | | | |
| _ Other capital assets under construction | 1920 + | | | |
| improvements | 1919 | | - <u> </u> | |
| Accumulated amortization of leasehold | | | | |
| Leasehold improvements | | | | |
| Accumulated amortization of capital leases others | 1917 | | _ | |
| _ Capital leases – others | 1916 + | | | |
| - vehicles | | | | |
| Accumulated amortization of capital leases | - | | | |
| _ Capital leases – vehicles | 1914 + | | | |
| | 1913 | | _ | |
| Accumulated amortization of capital leases | | | | |
| Capital leases – equipment | | | | |
| Accumulated amortization of capital leases – buildings | 1911 | | _ | |
| _ Capital leases – buildings | 1910 + | | | |
| Accumulated amortization of fences | | | - | |
| _ Fences | | | | |

^{*} Generic item

Current Liabilities

Form identifier 3139 **GIFI** Account **Amount** Prior year Description * Bank overdraft 2600 + Amounts payable and accrued liabilities * Amounts payable and accrued liabilities 107,799 56,561 Trade payables 2622 Trade payables to related parties Holdbacks payable Wages payable Management fees payable Bonuses payable Employee deductions payable 2627 Withholding taxes payable 2628 Interest payable 2629 2630 Amounts payable to members of NPOs 107.799 56.561 Amounts payable and accrued liabilities * Taxes payable Short-term debt * Short-term debt 2701 Loans from Canadian banks Liability for securities sold short 2702 Liability for securities sold under repurchase agreements 2703 2704 Gold and silver certificates 2705 Cheques and other items in transit 2706 Lien notes Short-term debt 2770 + * Deferred income Due to shareholder(s)/director(s) 2780 * Due to shareholder(s)/director(s) Due to individual shareholder(s) 2781 Due to corporate shareholder(s) 2782 Due to director(s) 2783 Due to shareholder(s)/director(s) * Due to joint venture(s)/partnership(s) Due to related parties 2860 * Due to related parties 50,000 2861 Demand notes due to related parties Interest payable to related parties 2862 Advances due to related parties 2863 50,000 Due to related parties

| *Current portion of long-term liability | 6,000,000 |
|---|-----------|
| *Bankers' acceptances | |
| ┌ Other current liabilities ─ | |
| *Other current liabilities | |
| Deposits received | |
| Dividends payable | |
| Future (deferred) income taxes | |
| Reserves for guarantees, warranties, or indemnities | |
| General provisions/reserves | |
| Crew shares | |
| Other current liabilities + | |
| | |
| Total current liabilities 3139 = 107,799 | 6,106,561 |

^{*} Generic item

Long-term Liabilities

| | | | | Form identifier 345 |
|----------|---|----------|-----------|---------------------|
| ccount | Description | GIFI | Amount | Prior year |
| ong-terr | m debt — | | | |
| _ | *Long-term debt | 3140 | 5,882,000 | |
| | Mortgages | 3141 | | |
| | Farm credit corporation loan | 3142 | | |
| | Chartered bank loan | 3143 | | |
| | Credit Union/Caisse Populaire Ioan | 3144 | | |
| | Provincial government loan | 3145 | | |
| | Supply company loan | 3146 | | |
| | Private loan | 3147 | | |
| | Central, league, and federation loans | 3148 | | |
| | Line of credit | 3149 | | |
| | Liability for securities sold short | 3150 | | |
| | Liability for securities sold under repurchase agreements | 3151 | | |
| | | 3152 | | |
| | _ | + | 5,882,000 | |
| | Long-term debt | | 3,002,000 | |
| | | | | |
| | *Deposit liabilities of financial institutions | 3200 + _ | | |
| | <u> </u> | ooyo . | | |
| | *Bonds and debentures | 3210 + | | |
| | _* Deferred income | 3220 + | | |
| | * Future (deferred) income tayon | 3240 + | 414,000 | _ |
| | *Future (deferred) income taxes | 324U T _ | 414,000 | |
| ue to sh | nareholder(s)/director(s) | | | |
| | *Due to shareholder(s)/director(s) | 3260 | | |
| | Due to individual shareholder(s) | 3261 | | |
| | Due to corporate shareholder(s) | 3262 | | |
| | Due to director(s) | 3263 | | |
| | Due to shareholder(s)/director(s) | + | | |
| | | | | |
| | * Due to members | 3270 + | | |
| | - | | | |
| | _* Due to joint venture(s)/partnership(s) | 3280 + | | |
|) to == | loted nextice | | | |
| ue to re | lated parties * Due to related parties | 3300 | | |
| | = · · · · · · · · · · · · · · · · · · · | 3301 | | |
| | Amounts owing to related Canadian parties | _ | | |
| | Amounts owing to related foreign parties | 3302 | | |
| | Due to related parties | + = | = | |

| ┌ Other long-term liabilities ─────────────── | |
|--|--|
| *Other long-term liabilities | |
| Long-term obligations/commitments/capital leases 3321 | |
| Reserves for guarantees, warranties, or indemnities 3322 | |
| Provision for site restoration | |
| Contributions to qualifying environmental trust 3324 | |
| General provisions/reserves | |
| Preference shares restated | |
| Member allocations 3327 | |
| Deferred revenue from incomplete contracts | |
| Other long-term liabilities | |

| Total long-term liabilities 3450 =6,296,000 | Total long-term liabilities $3450 = 6,296,000$ |
|---|--|
|---|--|

^{*} Generic item

Shareholder Equity

| | | | | Form identifier 3620 |
|------------|---------------------------------|--------|-----------|----------------------|
| Account | Description | GIFI | Amount | Prior year |
| | *Common shares | 3500 + | 100 | 100 |
| | * Preferred shares | 3520 + | 2,400,000 | 2,400,000 |
| _ Contribเ | ited and other surplus | | | 1 |
| | _*Contributed and other surplus | 3540 | | |
| | _ Contributed surplus | | | |
| | _ Appraisal surplus | | | |
| | | 3543 | | |
| | Contributed and other surplus | += | | |
| | * Head office account | 3570 + | | |
| | * Retained earnings/deficit | 3600 + | -958,311 | -194,601 |
| | Total shareholder equity | 3620 = | 1,441,789 | 2,205,499 |

^{*} Generic item

Retained Earnings/Deficit

Retained earnings/deficit - end

| Account | Description | ilFl | Amount | Prior year |
|-----------|---|---------|----------|------------|
| | * Retained earnings/deficit – start | 660 + | -194,601 | -62,641 |
| | * Net income/loss 3 | 680 + | -763,710 | -131,960 |
| Dividend | ds declared — | | | |
| | _ * Dividends declared 3 | 700 | | |
| | | 701 | | |
| | Patronage dividends | 702 | | |
| | * Prior period adjustments | 720 + | | |
| Other ite | ems affecting retained earnings | • | | |
| Other ite | | 740 | | |
| | | 741 | | |
| | | 742 | | |
| | Currency adjustments | | _ | |
| | | 744 | | |
| | | 745 | | |
| | Other items affecting retained earnings | | | |

3849 = ___

-958,311

-194,601

^{*} Generic item



Agence des douanes et du revenu du Canada GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

| Form identified | | | | |
|---|-------------------|-------------------------------------|--|--|
| Name of corporation | Business Number | Taxation year end Year Month Day | | |
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 | | |

Income statement information

| Description GIFI | | |
|------------------|----|---|
| Operating name | 01 | - |

| Account | Description | GIFI | Amount | Prior year |
|---------|---|---|----------|------------|
| Income | statement information | | | |
| | _ Total sales of goods and services | 8089 + | 506,060 | 369,921 |
| | _ Cost of sales | <mark>8518</mark> – _ | | |
| | Gross profit/loss | 8519 = _ | 506,060 | 369,92 |
| | Cost of sales | <mark>8518</mark> + | | |
| | Total operating expenses | 9367 + | 796,566 | 616,244 |
| | Total expenses (mandatory field) | 9368 = | 796,566 | 616,244 |
| | Total revenue (mandatory field) | 8299 + | 537,856 | 374,284 |
| | Total expenses (mandatory field) | 9368 – | 796,566 | 616,244 |
| | Net non-farming income | 9369 = | -258,710 | -241,960 |
| Farming | income statement information Total farm revenue (mandatory field) | 9659 + 9898 | | |
| Farming | Total farm revenue (mandatory field) | | | |
| Farming | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income | 9898 | | |
| Farming | Total farm revenue (mandatory field) | 9898 – | -258,710 | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items | 9898 | -258,710 | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) | 9898 | -258,710 | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) Extraordinary item(s) | 9898 - 9899 = 9970 = 9975 - | -258,710 | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) Extraordinary item(s) Legal settlements | 9898 | -258,710 | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) Extraordinary item(s) Legal settlements Unrealized gains/losses | 9898 - 9899 = = = = = = = = = = = = = = = = = | -258,710 | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) Extraordinary item(s) Legal settlements Unrealized gains/losses Unusual items | 9898 - 9899 = = = = = = = = = = = = = = = = = | | -241,960 |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) Extraordinary item(s) Legal settlements Unrealized gains/losses Unusual items Current income taxes | 9898 - 9899 = = = = = = = = = = = = = = = = = | -19,000 | |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) Net farm income Net income/loss before taxes and extraordinary items linary items and income (linked to Schedule 140) Extraordinary item(s) Legal settlements Unrealized gains/losses Unusual items | 9898 - 9899 = 9970 = 9975 - 9976 - 9980 + 9985 - 9990 - 9990 - 9990 | | -241,96 |

Revenue

Form identifier 8299

| | | | | Form identifier 8299 |
|-------------|---|--------|---------|----------------------|
| Account | Description | GIFI | Amount | Prior year |
| | *Trade sales of goods and services | + 0008 | 506,060 | 369,921 |
| | *Sales of goods and services to related parties | 8020 + | | |
| | * Interdivisional sales | 8030 + | | |
| - Sales fro | om resource properties | | | |
| | * Sales from resource properties | 8040 | | |
| | Petroleum and natural gas sales | 8041 | | |
| | Petroleum and natural gas sales to related parties | 8042 | | |
| | Gas marketing | 8043 | | |
| | Processing revenue | 8044 | | |
| | Pipeline revenue | 8045 | | |
| | Seismic sales | 8046 | | |
| | Mining revenue | 8047 | | |
| | _ Coal revenue | 8048 | | |
| | _ Oil sands revenue | 8049 | | |
| | _ Royalty income | 8050 | | |
| | _ Oil and gas partnership/joint venture income/loss | 8051 | | |
| | Mining partnership/joint venture income/loss | 8052 | | |
| | Other production revenue | 8053 | | |
| | Sales from resource properties | += | | |
| | Total calca of woods and comisses | 8089 = | F0/ 0/0 | 2/0.021 |
| | Total sales of goods and services | | 506,060 | 369,921 |
| - Investm | ent revenue | | | |
| | * Investment revenue | 8090 | 31,796 | 3,843 |
| | Interest from foreign sources | 8091 | | |
| | Interest from Canadian bonds and debentures | 8092 | | |
| | Interest from Canadian mortgage loans | 8093 | | |
| | Interest from other Canadian sources | 8094 | | |
| | Dividend income | 8095 | | |
| | Dividends from Canadian sources | 8096 | | |
| | Dividends from foreign sources | 8097 | 24.70/ | 2.040 |
| | Investment revenue | | 31,796 | 3,843 |
| – Interest | income (financial institutions) | | | |
| | * Interest income (financial institutions) | 8100 | | |
| | Loan interest | 8101 | | |
| | Securities interest | 8102 | | |
| | Deposits with banks interest | 8103 | | |
| | Interest income (financial institutions) | += | | |
| – Commis | sion revenue | | | |
| Commis | *Commission revenue | 8120 | | |
| | Commission revenue | 8121 | | |
| | Commission revenue | + — | | |
| | Outimission revenue | | = | |

| ┌ Rental revenue ───── | | | |
|---|------|-----------|---------|
| * Rental revenue | 8140 | | 520 |
| Real estate rental revenue | 8141 | | |
| | 8142 | | |
| Rental revenue | | | 520 |
| Nental revenue | | | |
| | | | |
| * Vehicle leasing | 8150 | + | |
| <u> </u> | | | |
| Fishing revenue — | | | |
| * Fishing revenue | 8160 | | |
| Fish products | 8161 | | |
| Other marine products | 8162 | | |
| Fishing grants, credits, and rebates | 8163 | | |
| Fishing subsidies | 8164 | | |
| Compensation for loss of fishing income or property | 8165 | | |
| Sharesman income | 8166 | | |
| Fishing revenue | | + | |
| | | | |
| Realized gains/losses on disposal of assets | | | |
| * Realized gains/losses on disposal of assets | 8210 | | |
| Realized gains/losses on sale of investments | 8211 | | |
| Realized gains/losses on sale of resource properties | 8212 | | |
| Realized gains/losses on disposal of assets | | + | |
| | | | |
| ┌ NPO amounts received ────── | | | |
| * Non-Profit organizations amounts received | 8220 | | |
| Membership fees | 8221 | | |
| Assessments | 8222 | | |
| Gifts | 8223 | | |
| Gross sales and revenues from organizational activities | 8224 | | |
| NPO amounts received | | + | |
| | | | |
| Cother revenue | | | |
| * Other revenue | 8230 | | |
| Foreign exchange gains/losses | 8231 | | |
| Income/loss of subsidiaries/affiliates | 8232 | | |
| Income/loss of other divisions | 8233 | | |
| Income/loss of joint ventures | 8234 | | |
| Income/loss of partnerships | 8235 | | |
| Realization of deferred revenues | 8236 | | |
| Royalty income other than resource | 8237 | | |
| Alberta royalty tax credits | 8238 | | |
| Management and administration fees | 8239 | | |
| Telecommunications revenue | 8240 | | |
| Consulting fees | 8241 | | |
| Subsidies and grants | 8242 | | |
| Sale of by-products | 8243 | | |
| Deposit services | 8244 | | |
| Credit services | 8245 | | |
| Card services Card services | 8246 | | |
| Patronage dividends | 8247 | | |
| | 8248 | - | |
| Insurance recoveries | 8249 | | |
| Expense recoveries | | | |
| Bad debt recoveries | 8250 | | |
| Other revenue | | T | |
| | | | |
| Total revenue | 8299 | = 537,856 | 374,284 |

^{*} Generic item

Operating Expenses

Form identifier 9367 Account Description **GIFI Amount** Prior year Advertising and promotion * Advertising and promotion Advertising 8521 8522 **Donations** 8523 Meals and entertainment 8524 Promotion Advertising and promotion 8570 + * Amortization of intangible assets * Bad debt expense Loan losses Provision for loan losses Loan losses **Employee benefits** * Employee benefits 8621 Group insurance benefits Employer's portion of employee benefits 8622 Contributions to deferred income plans 8623 **Employee benefits** 8650 + * Amortization of natural resource assets 8670 + 192,468 192,468 * Amortization of tangible assets Insurance *Insurance 8691 Life insurance on executives Insurance Interest and bank charges * Interest and bank charges 430,753 354,821 Interest on short-term debt Interest on bonds and debentures Interest on mortgages Interest on long-term debt Bank charges 8716 Credit card charges Collection and credit costs 8717

Interest and bank charges

354,821

430,753

| Interest paid (financial institutions) | | |
|--|-------------|--------|
| *Interest paid (financial institutions) | | |
| Interest paid on deposits | | |
| Interest paid on bonds and debentures | | |
| Interest paid (financial institutions) + | | |
| | | |
| Business taxes, licences, and memberships | | |
| * Business taxes, licences, and memberships | | |
| Memberships 8761 | | |
| Business taxes | | |
| Franchise fees 8763 | | |
| Government fees | | |
| Business taxes, licences, and memberships + | | |
| | | |
| * New Brunswick tax on large corporations 8780 + | | |
| | | |
| * Nova Scotia tax on large corporations 8790 + | | |
| Office expenses | | |
| * Office expenses | | |
| Office stationery and supplies | | |
| Office utilities | | |
| Data processing | | |
| Office expenses + | | |
| | | |
| Professional fees | | |
| * Professional fees | | |
| Legal fees | | |
| Accounting fees | | |
| Consulting fees | | |
| Architect fees | | |
| Appraisal fees | | |
| Laboratory fees | | |
| Medical fees | | |
| Veterinary fees | | |
| Brokerage fees | | |
| Transfer fees 8870 | | |
| Management and administration fees | 173,345 | 68,955 |
| Refining and assay | | |
| Registrar and transfer agent fees | | |
| Restructuring costs | | |
| Security commission fees | | |
| Training expense | | |
| Studio and recording | | |
| Professional fees + | 173,345 | 68,955 |

| Rental — | | | |
|--|--|--------------|---|
| | * Rental | | |
| | Real estate rental | | |
| | | | |
| | • | | |
| | Condominium fees | | |
| | Equipment rental | | |
| | Motor vehicle rentals | | |
| | Moorage (boat) | | |
| | Storage | | |
| | Quota rental | | |
| - | | + | |
| | | | |
| | | | |
| - | nd maintenance — | | |
| | * Repairs and maintenance | | |
| | Repairs and maintenance – buildings | | |
| | Repairs and maintenance – vehicles | | |
| | Repairs and maintenance – boats | | |
| | Repairs and maintenance – machinery and equipment 8964 | | |
| | | + | |
| | Nopulio una mantonano | | |
| | | | |
| $_{ar{\hspace{0.05cm}}}$ Other rep | airs and maintenance — | | |
| | *Other repairs and maintenance 9010 | | |
| | Machine shop expense | | |
| | Road costs | | |
| - | Security | | |
| | Corbono removal | | - |
| | | | |
| | Other repairs and maintenance | ⁺ | |
| | | | |
| | | | |
| – Salaries a | nd wages — | | |
| – Salaries a | nd wages | | |
| – Salaries a | * Salaries and wages 9060 | | |
| – Salaries a | * Salaries and wages | | |
| – Salaries a –––––––––––––––––––––––––––––––––––– | * Salaries and wages | | |
| – Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 | | |
| – Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 | | |
| – Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 | | |
| - Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 | | |
| - Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 | + | |
| - Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 | + | |
| - Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages - | + <u></u> | |
| - Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 | + | |
| - Salaries a | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages - | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages - | + | |
| Salaries a | * Salaries and wages Commissions Crew share Bonuses Bonuses Directors fees Management salaries Employee salaries Salaries and wages * Sub-contracts 9060 9061 9062 9063 9063 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9130 Small tools 9131 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9130 Small tools 9131 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages - * Sub-contracts 9110 * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 | + | |
| | * Salaries and wages Commissions Crew share Bonuses Bonuses Directors fees Management salaries Employee salaries Salaries and wages * Sub-contracts * Supplies Small tools Small tools Shop expense Uniforms Laundry Food and catering 9060 9060 9062 9063 9063 9064 Management salaries 9065 9066 9066 9066 9066 9066 9066 9066 | + | |
| | * Salaries and wages Commissions Crew share Bonuses Bonuses Directors fees Management salaries Employee salaries Salaries and wages * Sub-contracts * Supplies Small tools Small tools Shop expense Uniforms Laundry Food and catering Fishing gear 9060 9060 9062 9063 9064 9064 9065 9065 9066 9066 9066 9066 9066 9066 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9071 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 Computer-related expenses 9150 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 Computer-related expenses 9150 Upgrade 9151 | + | |
| | * Salaries and wages 9060 Commissions 9061 Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages * Sub-contracts 9110 - * Supplies 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 Computer-related expenses 9150 | + | |

| | | | | 67661 9301 RC0001 |
|---------------|---|---------------|-------------|-------------------|
| | * Property taxes 918 | 80 + | | |
| ⊤ Travel ex | penses - | | | |
| 11010101 | *Travel expenses | 00 | | |
| | Meetings and conventions 920 | | | |
| | Travel expenses | 44 _ | | |
| | Travel expenses | | | |
| – Utilities – | | | | |
| | * Utilities | 20 | | |
| | Electricity | 21 | | |
| | Water 922 | | | |
| | Heat | _ | | |
| | Fuel costs | | | |
| | Telephone et telecommunications 922 | | | |
| | Utilities | <u> </u> | | |
| | Othities | | | |
| ┌ Other exp | | | | |
| | _*Other expenses | | | |
| | Cash over/short 927 | _ | | |
| | Reimbursement of parent company expense | | | |
| | Selling expenses 927 | | | |
| | Shipping and warehouse expense | | | |
| | Delivery, freight and express | 7 5 | | |
| | Warranty expenses 927 | 76 | | |
| | Royalty expenses – resident | 77 | | |
| | Royalty expenses – non-resident 927 | 78 | | |
| | Dumping charges 927 | 79 | | |
| | Land fill fees | 30 | | |
| | Vehicle expenses | | | |
| | Research and development | | | |
| | Withholding taxes 928 | | | |
| - | General and administrative expenses928 | | | |
| | Interdivisional expenses | | | |
| | Interfund transfer | | | |
| | Other expenses | ~ _ | | |
| | ошог охроносо | | | |
| | | | | |
| | Total operating expenses 936 | 77 = _ | 796,566 | 616,244 |

^{*} Generic item

Agence des douanes et du revenu du Canada

SCHEDULE 141

NOTES CHECKLIST

| Corporation's name | Business Number | Taxation year end Year Month Day |
|---|--|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |
| • This schedule should be completed from the perspective of the person w is referred to as the "accounting practitioner", in this schedule. | ho prepared or reported on the financial | statements. This person |
| • For more information, see RC4088, Guide to the General Index of Finance T2 Corporation – Income Tax Guide. | cial Information (GIFI) for Corporations and | d T4012, |
| Attach a copy of this schedule, along with any Notes to the financial state | ements, to the GIFI. | |
| Part 1 – Accounting practitioner information | | |
| Does the accounting practitioner have a professional designation? | 09 | 1 Yes X 2 No |
| Is the accounting practitioner connected* with the corporation? | | 7 1 Yes 2 No X |
| * A person connected with a corporation can be: (i) a shareholder of the c shares; (ii) a director, an officer, or an employee of the corporation; or (ii | orporation who owns more than 10% of th ii) a person not dealing at arm's length wif | e common th the corporation. |
| Note | | |
| If the accounting practitioner does not have a professional designation or is you do not have to complete Parts 2 and 3 of this schedule. However, you | | |
| Part 2 – Type of involvement | | |
| Choose the option that represents the highest level of involvement of the ad | ccounting practitioner: | 8 |
| Completed an auditor's report | | X |
| 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 | r the following question: | |
| | 09 | 9 1 Yes 2 No X |
| Part 4 – Other information | | |
| Were notes to the financial statements prepared? | | 1 1 Yes X 2 No |
| If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? | | 2 1 Yes 2 No X |
| Has there been a change in accounting policies since the last return? | | 3 1 Yes 2 No X |
| Are subsequent events mentioned in the notes? | | 4 1 Yes 2 No X |
| Is re-evaluation of asset information mentioned in the notes? | | 1 Yes 2 No X |
| Is contingent liability information mentioned in the notes? | | 6 1 Yes 2 No X |
| Is information regarding commitments mentioned in the notes? | | 7 1 Yes 2 No X |
| Does the corporation have investments in joint venture(s) or partnership(s) | | |
| | | |
| If Yes, complete line 109 below: Are you filing financial statements of the joint venture(s) or partnership(s) | s)?10 | 9 1 Yes 2 No |

T2 SCH 141 (04) Canadä



Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

| Corporation's name | Business Number | Taxation year end |
|---|-------------------|-------------------|
| | | Year Month Day |
| Niagara West Transformation Corporation | 87681 9301 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. For more information, see the T2 *Corporation Income Tax Guide*.
- 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.

| Net income (loss) after taxes and extraordinary items per financial statements Add: | | 763,710_A |
|---|-----------------------------|-----------|
| Provision for income taxes – current | 101 -19,000 | |
| Provision for income taxes – deferred | 102 524,000 | |
| Amortization of tangible assets | 104 192,468 | |
| Subtotal of additions | 697,468 | 697,468 |
| Other additions: | | |
| Miscellaneous other additions: | | |
| Subtotal of other additions | <u>0</u> ▶ | |
| Total additions | 500 <u>697,468</u> ► | 697,468 |
| Deduct: | | |
| Capital cost allowance from Schedule 8 | 403 247,701 | |
| Subtotal of deductions | <u>247,701</u> ► | 247,701 |
| Other deductions: | | |
| Miscellaneous other deductions: | | |
| 700 ITC income recorded for accounting purposes | 390 30,632 | |
| Subtotal of other deductions | 499 30,632 | 30,632 |
| Total deductions | 510 278,333 | 278,333 |
| Net income (loss) for income tax purposes – enter on line 300 of the T2 return | | -344,575 |

T2 SCH 1 E (06) Canadä

Agence des douanes et du revenu du Canada **SCHEDULE 4**

CORPORATION LOSS CONTINUITY AND APPLICATION

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

- 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 previous 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 information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send 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 Deduct: (increase a loss) | 344,575 |
| Net capital losses deducted in the year (enter as a positive amount) | |
| Taxable dividends deductible under sections 112, 113, or subsection 138(6) | |
| Amount of Part VI.1 tax deductible | |
| Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) | |
| Deduct: (increase a loss) Subtotal (if positive, enter "0") | -344,575 |
| Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions | |
| Add: (decrease a loss) | tal344,575 |
| Current-year farm loss | |
| Current-year non-capital loss (if positive, enter "0") | |
| Continuity of non-capital losses and request for a carryback | |
| Non-capital loss at the end of preceding taxation year 225,765 | |
| Deduct: Non-capital loss expired * | |
| Non-capital losses at beginning of taxation year | |
| Add: Non-capital losses transferred on an amalgamation or the | |
| windup of a subsidiary corporation | |
| Current-year non-capital loss (from calculation above) | 570,340 |
| Deduct: | |
| Amount applied against taxable income (enter on line 331 of the T2 return) 130 | |
| Amount applied against taxable dividends subject to Part IV tax | |
| Section 80 – Adjustments for forgiven amounts | |
| Subsection 111(10) – Adjustments for fuel tax rebate | |
| Other adjustments | |
| Deduct – Request to carry back non-capital loss to: | 570,340 |
| First preceding taxation year to reduce taxable income 901 | |
| Second preceding taxation year to reduce taxable income | |
| Third preceding taxation year to reduce taxable income | |
| First preceding taxation year to reduce taxable dividends subject to Part IV tax 911 | |
| Second preceding taxation year to reduce taxable dividends subject to Part IV tax 912 | |
| Third preceding taxation year to reduce taxable dividends subject to Part IV tax 913 | |
| · · · · · · · · · · · · · · · · · · · | 80 570,340 |

| * A non-c | capital los | s expires | as follows |
|-----------|-------------|-----------|------------|
|-----------|-------------|-----------|------------|

- After 7 taxation years if it arose in a taxation year ending before March 23, 2004;
- After 10 taxation years if it arose in a taxation year ending after March 22, 2004.

| Election under paragraph 88(1.1)(f) | |
|---|--|
| Liection under paragraph oo(1.1)(1) | |
| Paragraph 88(1.1)(f) election indicator | |
| Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year. | |

| Ρ | art | 2 | _ | Ca | pital | l Ic | SS | es |
|---|-----|---|---|----|-------|------|----|----|
|---|-----|---|---|----|-------|------|----|----|

| - | Continuity of capital losses and req | uest for a carryback — | |
|---|---|---|-------------|
| Capital losses at end of preceding ta | | | |
| Capital losses at end of preceding ta | | 200 | |
| | | 205 | |
| | edule 6 calculation) | - | <u> </u> |
| Allowable business investment loss | s expired as non-capital loss | × 4/3 | 220 |
| Deduct: | - CAPITOG GO HOIT GAPIKAI 1000 | Subt | |
| | ar capital gain (see Note 1) | | |
| | ven amounts | | |
| , | | • | |
| - | | | Subtotal |
| Deduct – Request to carry back ca | | | |
| | Capital gain (100%) | Amount carried back (100%) | 1 |
| First proceeding taxation year | | | |
| | | | |
| | | | |
| | | | 280 |
| , | | | 200 |
| Note 1 | | | |
| | ne amount from line 225 multiplied by 50%. | | |
| Note 2 | | I Acid it follows | |
| | , whichever applies, the actual amount of the nt will be calculated at the inclusion rate of t | | |
| Part 3 – Farm losses | | | |
| | Continuity of farm losses and requ | iest for a carryback —— | |
| Farm losses at end of preceding taxa | ation year | | |
| | taxation years | 300 | |
| | ı year | | |
| Add: Farm losses transferred on an | | | |
| | ation | 305 | |
| Current-year farm loss | | 310 | |
| Deduct: | | | |
| Amount applied against taxable inc | come (enter on line 334 of the T2 return) | 330 | |
| Amount applied against taxable divi | ridends subject to Part IV tax | <mark>335</mark> | |
| Section 80 - Adjustments for forgiv | ren amounts | 340 | |
| Other adjustments | | 350 | |
| | | | Subtotal |
| Deduct – Request to carry back fa | irm loss to: | | |
| - | | 921 | |
| coscoreceono raxanon vear 10 feoi | | | |
| First preceding taxation year to redu | reduce taxable income | 922 | |
| Second preceding taxation year to r | | | |
| Second preceding taxation year to red | duce taxable income | 923 | |
| Second preceding taxation year to rather than the preceding taxation year to red First preceding taxation year to reduce the preceding taxation year. | duce taxable incomeuce taxable dividends subject to Part IV tax | 923 931 | |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to re | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV t | 923 931 ax 932 | |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV t duce taxable dividends subject to Part IV tax | 923 | 290 |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to re | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV t | 923 | 380 |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red Farm losses – Closing balance | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV t duce taxable dividends subject to Part IV tax | 923 931 ax 932 933 | 380 |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red Farm losses – Closing balance | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV ta duce taxable dividends subject to Part IV tax | 923 931 932 933 arm loss | |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red Farm losses – Closing balance Part 4 – Restricted farm losses Total losses for the year from farmin | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV ta duce taxable dividends subject to Part IV tax | 923 931 932 933 arm loss | 380 |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red Farm losses – Closing balance Part 4 – Restricted farm losses Total losses for the year from farmin Minus the deductible farm loss: | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV to duce taxable dividends subject to Part IV tax | 923 931 ax 932 933 arm loss | 485 |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red Farm losses – Closing balance Part 4 – Restricted farm losses Total losses for the year from farmin Minus the deductible farm loss: \$2,500 plus B or C, whichever is le | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV to duce taxable dividends subject to Part IV tax | 923931 | |
| Second preceding taxation year to red Third preceding taxation year to red First preceding taxation year to red Second preceding taxation year to red Third preceding taxation year to red Farm losses – Closing balance Part 4 – Restricted farm losses Total losses for the year from farmin Minus the deductible farm loss: | duce taxable income uce taxable dividends subject to Part IV tax reduce taxable dividends subject to Part IV tax duce taxable dividends subject to Part IV tax Current-year restricted for graph business | 923931 | 485 |

Subtotal

962 963

.....

Part 4 – Restricted farm losses (continued)

Deduct – Request to carry back listed personal property loss to:First preceding taxation year to reduce listed personal property gains
Second preceding taxation year to reduce listed personal property gains

Third preceding taxation year to reduce listed personal property gains

Listed personal property losses - Closing balance

| Continuity of restricted farm losses and request for a carryback |
|--|
| Restricted farm losses at end of preceding taxation year |
| Deduct: Restricted farm loss expired after 10 taxation years |
| Restricted farm losses at beginning of taxation year |
| Add: Restricted farm losses transferred on an amalgamation or the |
| windup of a subsidiary corporation |
| Current-year restricted farm loss (enter on line 233 of Schedule 1) |
| Deduct: |
| Amount applied against farming income (enter on line 333 of the T2 return) 430 |
| Section 80 – Adjustments for forgiven amounts |
| Other adjustments |
| Subtotal |
| Deduct – Request to carry back restricted farm loss to: |
| First preceding taxation year to reduce farming income |
| Second preceding taxation year to reduce farming income |
| Third preceding taxation year to reduce farming income |
| Restricted farm losses – Closing balance |
| Note |
| The total losses for the year from all farming businesses are calculated without including 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 |
| Deduct: Listed personal property loss expired after seven taxation years |
| Listed personal property losses at beginning of taxation year |
| Add: Current-year listed personal property loss (from Schedule 6) |
| Subtotal |
| |
| Deduct: |
| Amount applied against listed personal property gains (enter on line 655 of Schedule 6) |
| Other adjustments |

Part 7 – Limited partnership losses

| Current-year limited partnership losses | | | | | | | | |
|---|-------------------------|---|------------------------------|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Partnership identifier | Fiscal period ending | Corporation's share of limited partnership loss | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses | Column 4 minus column 5 If negative, enter "0". | Current-year limited partnership losse Column 3 - 6 | | |
| 600 | 602 | 604 | 606 | 608 | | 620 | | |

Total (enter this amount on line 222 of Schedule 1)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------------|-------------------------|--|------------------------------|--|--|---|
| Partnership identifier | Fiscal period ending | Limited partnership losses at end of preceding taxation year | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses | Column 4 minus column 5 If negative, enter "0". | Limited partnership to that may be applied in the The lesser columns 3 a |
| 630 | 632 | 634 | 636 | 638 | | 650 |

| Partnership | Limited partnership | | | | |
|-------------|---------------------|---|--|---|--|
| identifier | losses at end of | Limited partnership losses transferred on an amalgamation or the windup of a subsidiary | Current-year limited partnership losses (from column 620) | Limited partnership losses applied (cannot exceed column 650) | Limited partnership losses closing balance (662 + 664 + 670 - 675 |
| 660 | 662 | 664 | 670 | 675 | 680 |

Total (enter this amount on line 335 of the T2 return)

Non-Capital Loss Continuity Workchart

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

| | | | | Loss | Applied t | o reduce | _ |
|----------------------|------------------------------------|-------------------------------------|---------------------------|---------------------------------|----------------|----------------|------------------------|
| Year of origin | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | 344,575 | | | N/A | | 344,575 |
| 2004 | 225,765 | N/A | | N/A | | | 225,765 |
| 2003 | | N/A | | N/A | | | |
| 2002 | | N/A | | N/A | | | |
| 2001 | | N/A | | N/A | | | _ |
| 2000 | | N/A | | N/A | | | |
| 1999 | | N/A | | N/A | | | |
| 1998 | | N/A | | N/A | | | _ |
| Total | 225,765 | 344,575 | | | | | 570,340 |

| | | Loss | | Loss | Applied t | o reduce | _ |
|----------------------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------|----------------|------------------------|
| Year of origin | Balance at beginning of year | incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| urrent | N/A | | | | N/A | | |
| 2004 | | N/A | | N/A | | | |
| 2003 | | N/A | | N/A | | | |
| 2002 | | N/A | | N/A | | | |
| 2001 | | N/A | | N/A | | | |
| 2000 _ | | N/A | | N/A | | | |
| 1999_ | | N/A | | N/A | | | |
| 1998_ | | N/A | | N/A | | | |
| 1997 | | N/A | | N/A | | | |
| 1996 | | N/A | | N/A | | | |
| 1995 | | N/A | | N/A | | | |

| Restric | cted farm losse | s ——— | | | | | |
|----------------------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------|----------------|------------------------|
| | | Loss | | Loss | Applied t | o reduce | _ |
| Year of origin | Balance at beginning of year | incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | | | | N/A | N/A | |
| 2004 | | N/A | | N/A | | N/A | |
| 2003 | | N/A | | N/A | | N/A | |
| 2002 | | N/A | | N/A | | N/A | |
| 2001 | | N/A | | N/A | | N/A | |
| 2000 | | N/A | | N/A | | N/A | |
| 1999 | | N/A | | N/A | | N/A | |
| 1998 | | N/A | | N/A | | N/A | |
| 1997 | | N/A | | N/A | | N/A | |
| 1996 | | N/A | | N/A | | N/A | |
| 1995 | | N/A | | N/A | | N/A | |
| Total _ | | | | | | N/A | |

^{*} This balance expires this year and will not be available next year.

Capital Cost Allowance (CCA) Workchart

| Class number 200 1 | | Description | Building and Transfo | | |
|--------------------------------|-----------------|-------------|---|-----------|---------------------|
| CCA other than classes 10.1 | and 13 ———— | | | | |
| Terminal loss? Y/N N Resou | urce asset? Y/N | | tion electing under reg. separate class for rapid //N | | |
| | | Federal | Ontario | Québec | Alberta |
| CCA rate | 212 | 4.00 | 4.00 | 4.00 | 4.00 |
| UCC (opening) | 201 | 6,192,518 | 6,192,518 | 6,192,518 | 6,192,518 1 |
| ITC (prior year) | 205 – | | | | 2 |
| GST/PST rebate | 205 – | | | | 3 |
| Adjustments | 205 +/- | | | | 4 |
| Additions (1/2 year rule) | 203 + | | | | 5 |
| Additions (full year rule) | 203 + | | | | 6 |
| Disposals | 207 – | | | | 7 |
| Balance before CCA | | 6,192,518 | 6,192,518 | 6,192,518 | 6,192,518 8 |
| 1/2 of net additions | 211 - | | | | 9 |
| Balance for CCA | = | 6,192,518 | 6,192,518 | 6,192,518 | 6,192,518 10 |
| Maximum allowable CCA | | 247,701 | 247,701 | 247,701 | 247,701 11 |
| CCA claimed | 217 | 247,701 | 247,701 | 247,701 | 247,701 12 |
| UCC (closing) line 8 - line 12 | 220 | 5,944,817 | 5,944,817 | 5,944,817 | 5,944,817 13 |

Agence des douanes et du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

Is the corporation electing under regulation 1101(5q)? 101 1 Yes 2 No X

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-----------------|--|--|-----------------|--|---|--|---|------------------|--|---|--|--|
| Class number | Undepreciated capital cost at the beginning of the year | Cost of acquisitions during the year* | Net adjustments | Proceeds of dispositions during the year (amount not to exceed the capital cost) | Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | acquisitions exceeds column 5)** | Reduced undepreciated capital cost (column 6 minus column 7) | CCA rate % | Recapture of capital cost allowance (amount on line 107 of Schedule 1) | Terminal loss (amount on line 404 of Schedule 1) | Capital cost allowance (column 8 multiplied by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** | Undepreciated capital cost at the end of the year (column 6 minus column 12) |
| 200 | 201 | 203 | 205 | 207 | | 211 | | 212 | 213 | 215 | 217 | 220 |
| 1 1 | 6,192,518 | | | 0 | 6,192,518 | | 6,192,518 | 4 | 0 | 0 | 247,701 | 5,944,817 |
| Total | 6,192,518 | | | | 6,192,518 | | 6,192,518 | | | | 247,701 | 5,944,817 |

^{*} 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).

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^{**} 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.

Agence des douanes et du revenu du Canada

INVESTMENT TAX CREDIT — CORPORATIONS

General information

- 1. For use by a corporation that during a taxation year:
 - earned an investment tax credit (ITC);
 - is claiming a deduction against its Part I tax payable;
 - is claiming a refund of credit earned during the current taxation year;
 - is claiming a carryforward of credit from preceding taxation years;
 - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
 - is requesting a credit carryback; or
 - is subject to a recapture of ITC.
- 2. References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations*. References to interpretation bulletins and information circulars are to the latest versions.
- 3. The ITC is eligible for a three-year carryback (if not deductible in the year earned) and a ten-year carryforward.
- 4. Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
 - qualified property;
 - · certified property;
 - qualified expenditures that are part of the SR&ED qualified expenditure pool. Complete and file Form T661, Claim for Scientific Research and Experimental Development Expenditures Carried out in Canada; and
 - pre-production mining expenditures.
- 5. Attach a completed copy of this schedule with the T2 Corporation Income Tax Return.
- 6. For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*.
- 7. For information on SR&ED, see Interpretation Bulletin IT-151, Scientific Research and Experimental Development Expenditures, Information Circular 86-4, Scientific Research and Experimental Development, Guide T4052, An Introduction to the Scientific Research and Experimental Development Program, and Guide T4088, Claiming Scientific Research and Experimental Development (guide to Form T661).

- Detailed information -

- 1. For the purpose of this schedule, "investment" means:
 - The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government assistance or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- 2. An ITC deducted or refunded in a taxation year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next taxation year. It also reduces the undepreciated capital cost of that class in the next taxation year. An ITC for SR&ED deducted or refunded in a taxation year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next taxation year. An ITC from pre-production mining expenditures deducted in a taxation year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next taxation year.
- 3. Property acquired has to be "available for use" before a claim can be made for an ITC.
- 4. Qualified expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the taxation year in which the expenditures or capital costs were incurred.
- 5. Partnership allocations Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. For more information, see Interpretation Bulletin IT-151.
- 6. For SR&ED expenditures made after February 22, 2005, the expression "in Canada" includes the "exclusive economic zone" (as defined in the Oceans Act to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil in respect of that zone. For SR&ED expenditures made prior to February 23, 2005, the expression "in Canada" generally includes the 12 nautical mile territorial sea.



| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

| Part 1 – Investments or expenditures, percentages, and codes | Specified | |
|---|-----------|------|
| | ercentage | Code |
| Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region | 10 % | 14 |
| Expenditures | | |
| If you are a Canadian-controlled private corporation (CCPC) throughout the taxation year, code 11B may apply to you on the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10) | 35 % | 11B |
| Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate. | | |
| If you are a corporation that is not a CCPC throughout the current taxation year that incurred qualified expenditures for SR&ED in any area in Canada after 1995 | 20 % | 3B |
| If you are a taxable Canadian corporation that incurred pre-production mining expenditures: | | |
| • in 2003 | 5 % | _ |
| • in 2004 | 7 % | _ |
| • after 2004 | 10 % | _ |

| Part 2 - | Determination | of a | qualifying | cornoration - |
|----------|----------------------|------|-------------|---------------|
| rait 2 - | Determination | UI a | qualityilig | corporation: |

| Is the corporation a qualifying corporation? | | 1 Yes X | 2 No |
|--|--|---------|------|
|--|--|---------|------|

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC throughout the current taxation year and the taxable income (before any loss carrybacks) for its preceding year cannot be more than its business limit for that preceding year. If the corporation is associated with any other corporations during the taxation year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last taxation year ending in the preceding calendar year, cannot be more than the total of their business limits for that last year.

Note: A CCPC calculating a refundable ITC for taxation years ending before March 23, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1). For taxation years ending after March 22, 2004, the association rule remains the same except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a qualifying corporation, you will earn a 100% refund on your share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

Some CCPCs that are not qualifying corporations may also earn a 100% refund on their share of any ITCs earned at the 35% rate on qualified current expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified capital expenditures eligible for the 35% credit rate. They are only eligible for the 40% refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- a) one or more persons exempt from Part I tax under section 149;
- b) Her Maiesty in right of a province, a Canadian municipality, or any other public authority; or
- c) any combination of persons referred to in a) or b) above.

Part 3 – Corporations in the farming industry -

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)?

| 102 | 1 Yes | 2 No X |
|-----|-------|--------|

If Yes, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations*.

| CCA* class number | Description of investment | Date available for use | Location used (province) | Amount of investment |
|----------------------|---------------------------------------|--------------------------|------------------------------------|----------------------|
| 105 | 110 | 115 | 120 | 125 |
| *CCA: capital co | st allowance | | | |
| | | Total investment | enter in formula on line 240 in Pa | art 5 |
| rt 5 – Calculati | on of current-year credit and a | nccount balances – IT | C from investments in qualif | ied property—— |
| at the end of the l | preceding taxation year | | | • |
| Credit deemed as | a remittance of co-op corporations | | 210 | |
| Credit expired afte | r 10 taxation years | | | |
| | of the state of the state of | | Subtotal | |
| at the beginning o | of the taxation year | | 22 | <u> </u> |
| | on amalgamation or wind-up of sub | eidiany | 230 | |
| TC from repayme | nt of assistance | Sidially | 235 | |
| otal current-vear | credit: total of column 125 | x 10 % | = 240 | |
| | om a partnership | | | |
| | | | Subtotal | |
| al credit available | | | | |
| luct: | | | | |
| Credit deducted from | om Part I tax (enter on line FFF in P | art 19) | 260 | |
| | k to the preceding year(s) (from Part | | <u> </u> | |
| Credit transferred | to offset Part VII tax liability | | 280 | |
| | | | Subtotal ► | |
| dit balance before | refund | | | · |
| luct: | | | | - |
| Refund of credit cl | aimed on investments from qualified | d property (from Part 7) | | 0 |
| | of investments from modifical no | | 220 | 0 |
| closing balance | of investments from qualified pro | operty | | <u> </u> |
| | | | | |
| rt 6 – Reguest | for carryback of credit from in | vestments in qualifie | d property | |
| it o itcquest | _ | | а ргорону | |
| - | | Day | | - |
| oreceding taxation | - | | Credit to be applied 90 | |
| preceding taxatio | n year | | Credit to be applied 90: | 2 |

3rd preceding taxation year

903

. Credit to be applied

Total (enter on line A in Part 5)

| | | 0.00.000000 |
|--|---------------------------------|-------------------------------------|
| Name of corporation | Business Number | Taxation year end Year Month Day |
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |
| Part 7 − Calculation of refund for qualifying corporations on invest | ments from qualified property — | |

| ┌ Part 7 – Calculation of refund for qualifying corporations on investments from qualified property |
|---|
| Current-year ITCs (total of lines 240 and 250 in Part 5) |
| Credit balance before refund (amount B from Part 5) |
| Refund (40 % of amount C or D, whichever is less) |
| Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund). |
| Part 8 – Qualified expenditures for SR&ED |
| Current expenditures |
| Part 9 – Components of the SR&ED expenditure limit calculation Note: A CCPC that calculates SR&ED expenditure limit for taxation years ending before March 23, 2004, is considered to be |
| associated with another corporation if it meets any of the conditions in subsection 256(1). This also applies for taxation years ending after March 22, 2004, except where: |
| one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and |
| one of the corporations has at least one shareholder who is not common to both corporations. |
| Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? |
| Complete lines 390 and 395 if you answered <i>No</i> to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49). Part 9 only applies if the corporation was a CCPC throughout the current taxation year. |
| a) Enter your taxable income for the preceding taxation year* |
| b) Enter your reduced business limit** for the current taxation year* (this amount cannot be more than the amount at line 4 on page 4 of the T2 return) |
| * If either of the taxation years referred to at line 390 or 395 are is less than 51 weeks, prorate the taxable income or the business limit by the number of days in these taxation years divided by 365. For details on the expression "Reduced business limit," see line 652 of the <i>T2 Corporation – Income Tax Guide</i> . |
| ** If the corporation is claiming only a portion of the business limit from line 4 on page 4 of the T2 return because of its association with other corporations, calculate your reduced business limit as if the corporation was not associated in the current taxation year. |

- Enter the result at line 395.

| For stand-alone corporations: | | \$ | 5,000,000 * |
|--|-----------------------------|--------------------------------------|------------------|
| Subtract: line 390 from Part 9 or \$300,000*, whichever is more | 300,00 | 00 × 10 = | 3,000,000 |
| Excess (if negative, enter "0") | | | 2,000,000 F |
| Line F 2,000,000 × Line 395 300,000 = | | | 2,000,000 **G |
| Line 4 on page 4 300,000 of the T2 return | | | |
| For associated corporations: | | | |
| If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 | | 400 | ** |
| * If your taxation year immediately follows a taxation year that ended before 2003, the refe \$300,000 should be \$4,000,000 and \$200,000 respectively. | erences to S | \$5,000,000 and | |
| ** Amount G or H cannot be more than \$2,000,000. | | | |
| Where the taxation year of the corporation is less than 51 weeks, calculate the amount | of the exp | enditure limit a | s follows: |
| Line G or H × Number of days in the taxation year 369 | - | | 1 |
| A Number of days in the taxation year 365 | <u>s</u> – | | |
| | | | |
| Value CDS CD are an distance limit for the areas (anten the area and from line C. I.I. and a which are | | 410 | 2 000 000 |
| Your SR&ED expenditure limit for the year (enter the amount from line G, H, or I, whicheve | er applies) | 410 | 2,000,000 |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or | er applies) | | |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* | x | 35 % = | J |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* | x | | J |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) | x | 35 % = 20 % = | J |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* 440 | x x 0,000 L | 35 % = 20 % = 35 % = | J K |
| Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") 420 430 2,000 | × × 0,000 L | 35 % = 20 % = 35 % = | J |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 | x x 0,000 L | 35 % = 20 % = 35 % = | J K |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 in Part 8) If a corporation makes a repayment 460 * 35 % = | x x 0,000 L x x | 35 % = 20 % = 35 % = 20 % = | J K |
| Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 in Part 8) If a corporation makes a repayment of any government assistance, non- 420 420 430 2,000 440 450 450 X 35 % = 400 470 X 30 % = 400 470 | x x 0,000 L x x | 35 % = 20 % = 35 % = 20 % = | J K |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 in Part 8) If a corporation makes a repayment of any government assistance, non-government assistance, or contract payments that reduced the amount | x x 0,000 L x x | 35 % = 20 % = 35 % = 20 % = | J K M N |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 in Part 8) If a corporation makes a repayment of any government assistance, non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC | x x 0,000 L x x | 35 % = 20 % = 35 % = 20 % = | J K |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 in Part 8) If a corporation makes a repayment of any government assistance, non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repay- | x x 0,000 L x x | 35 % = 20 % = 35 % = 20 % = | J K M N |
| Part 11 – Calculation of investment tax credits on SR&ED expenditures Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)* Line 350 minus line 410 (if negative, enter "0") Line 410 minus line 350 (if negative, enter "0") Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above* Line 360 minus line L (if negative, enter "0") Repayments (amount from line 370 in Part 8) If a corporation makes a repayment of any government assistance, non-government assistance, or contract payments that reduced the amount | x x 0,000 L x x | 35 % = 20 % = 35 % = 20 % = | J K M N |

* For corporations that are not CCPCs throughout the year, enter "0" on lines J and M.

| Deduct: Credit deemed as a remittance of co-op corporations Credit expired after 10 taxation years Subtotal ITC at the beginning of the taxation year Add: Credit transferred on amalgamation or wind-up of subsidiary Total current-year credit Credit allocated from a partnership Subtotal Total credit available Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) 610 | ITC at the end of the preceding taxation y | | unt balances – ITC from SR&ED expend | |
|--|--|------------------------|---|--------------|
| Credit deemed as a remittance of co-op corporations Credit expired after 10 taxation years Subtotal ITC at the beginning of the taxation year Add: Credit transferred on amalgamation or wind-up of subsidiary Total current-year credit Credit allocated from a partnership Subtotal Total credit available Credit deducted from Part I tax (enter on line GGG in Part 19) Credit deducted from Part I tax (enter on line GGG in Part 19) Credit transferred to offset Part VII tax liability Subtotal P Credit transferred to offset Part VII tax liability Subtotal First preceding of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) First preceding taxation year Vear Month Day | | eai | | 03,436 |
| Subtotal | | n cornerations | 510 | |
| Subtotal | Credit expired ofter 10 texation years | p corporations . | 515 | _ |
| ITC at the beginning of the taxation year Add: Credit transferred on amalgamation or wind-up of subsidiary Total current-year credit Credit allocated from a partnership Total credit available Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Feart 13 - Request for carryback of credit from SR&ED expenditures Year Month Day Type Month Day Type Month Day Credit to be applied 2nd preceding taxation year 2nd preceding taxation year Credit to be applied 3rd preceding taxation year | Credit expired after 10 taxation years | | | |
| Add: Credit transferred on amalgamation or wind-up of subsidiary Total current-year credit Credit allocated from a partnership Total credit available Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) TIC closing balance on SR&ED Part 13 – Request for carryback of credit from SR&ED expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied | ITC at the beginning of the toyotion year | | | 520 42.450 |
| Total current-year credit Credit allocated from a partnership Subtotal Total credit available Subtotal Total credit available Subtotal Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Subtotal Credit balance before refund Total credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) For the preceding taxation year 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 3rd preceding taxation year | Add: | | | . 320 03,438 |
| Total current-year credit Credit allocated from a partnership Subtotal Total credit available Subtotal Total credit available Subtotal Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Subtotal Credit balance before refund Total credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) For the preceding taxation year 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 3rd preceding taxation year | Credit transferred on amalgamation or | wind-up of subsidiary | , | |
| Total credit available 63,458 Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Part I tax (enter on line GGG in Part 13) Credit transferred to offset Part VII tax liability Subtotal Subtotal In Credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Fart I a - Request for carryback of credit from SR&ED expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied | Total current-year credit | | | |
| Total credit available Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Fart 13 - Request for carryback of credit from SR&ED expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 3rd preceding taxation year Credit to be applied 911 912 913 | Grount anodated from a partnersing | | | _ |
| Deduct: Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Fart 13 - Request for carryback of credit from SR&ED expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 911 912 913 | Total credit available | | | 63 458 |
| Credit deducted from Part I tax (enter on line GGG in Part 19) Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Fart 13 – Request for carryback of credit from SR&ED expenditures 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 3rd preceding taxation year Credit to be applied 912 913 | | | | |
| Credit carried back to the preceding year(s) (from Part 13) Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Credit balance before refund Credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Fert 13 – Request for carryback of credit from SR&ED expenditures Tat preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied The proceding taxation year | | on line GGG in Part 19 | 9) 560 | |
| Credit transferred to offset Part VII tax liability Subtotal Credit balance before refund Credit balance before refund Befund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Feart 13 – Request for carryback of credit from SR&ED expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 3rd preceding taxation year Credit to be applied 911 912 913 | | | | |
| Credit balance before refund Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED -Part 13 – Request for carryback of credit from SR&ED expenditures 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year - Credit to be applied 3rd preceding taxation year - Credit to be applied | | | | - ' |
| Credit balance before refund 63,458 Q Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) 610 ITC closing balance on SR&ED 620 63,458 - Part 13 - Request for carryback of credit from SR&ED expenditures 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year 3r | Grount transferred to offset 1 art vir tax | indomity | | _ |
| Deduct: Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED - Part 13 – Request for carryback of credit from SR&ED expenditures Year Month Day | Credit balance before refund | | | 63 458 0 |
| Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ITC closing balance on SR&ED Part 13 – Request for carryback of credit from SR&ED expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Gredit to be applied 3rd preceding taxation year Credit to be applied 911 912 913 | Deduct: | | | |
| TC closing balance on SR&ED | | es of SR&FD (from P | art 14 or 15, whichever applies) | 610 |
| Part 13 – Request for carryback of credit from SR&ED expenditures Year Month Day | residing of orealt signification experience. | oo or or all a | art i er re, milenever applice, | |
| Year Month Day 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 911 912 913 | ITC closing balance on SR&ED | | | . 620 63,458 |
| Year Month Day 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Credit to be applied 911 912 913 | | | | |
| 1st preceding taxation year | Part 13 – Request for carryback of | credit from SR&EI | D expenditures ———— | |
| 1st preceding taxation year | V | ear Month Day | | |
| 2nd preceding taxation year | | oai Monui Day | Credit to be applied | 911 |
| 3rd preceding taxation year | | | | |
| | | | | |
| | ord proceding taxation year | | • | |

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

| Part 14 – Calculation of refund of ITC for qualifying corporations – SR&ED | |
|---|------------------------|
| Complete this part only if you are a qualifying corporation as determined at line 101 on page 2. | |
| Is the corporation an excluded corporation as defined under subsection 127.1(2)? 650 | 1 Yes 2 No X |
| Credit balance before refund (amount Q from Part 12) | AA |
| Current-year ITC (lines 540 plus 550 from Part 12 minus line O from Part 11) | BB |
| Refundable credits (amount AA or BB, whichever is less)* | cc |
| Amount J from Part 11 | DD |
| Subtract: Amount CC or DD, whichever is less | EE |
| Net amount (if negative, enter "0") | FF |
| Amount FF × 40 % | GG |
| Add: Amount EE | HH |
| Refund of ITC (amounts GG plus HH – enter this, or a lesser amount, on line 610 in Part 12) Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return. | <u> </u> |
| * If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount should be mu Claim this, or a lesser amount, as your refund of ITC on line II. | Itiplied by 40%. |
| Part 15 – Calculation of refund of ITC for CCPCs that are not qualifying or excluded cor | porations – SR&ED |
| Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined in | n Section 2 on page 2. |
| Credit balance before refund (amount Q from Part 12) | JJ |
| Amount J from Part 11 | KK |
| Subtract: Amount JJ or KK, whichever is less | LL |
| Net amount (if negative, enter "0") | MM |
| Amount M from Part 11 | MN |
| Amount MM or NN, whichever is less x 40 % | 00 |
| Add: Amount LL above | PP |
| Refund of ITC (amounts OO plus PP) Enter OO, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return | QQ |

Part 16 – Pre-production mining expenditures -

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the taxation year and after 2002.

| List of minerals |
|------------------|
| |
| 900 |
| 000 |
| |

For each of the minerals reported in column 800 above, identify each project, mineral title, and mining division where title is registered. If there were no mineral title, identify the project and mining division only.

| Project name | Mineral title | Mining division |
|--------------|---------------|-----------------|
| 805 | 806 | 807 |
| | | |

| | 805 | 806 | 807 |
|----------------------|---|--|--------------------------|
| | | | |
| | | Pre-production mining expenditures * | |
| | production mining expenditures that the corporation in the existence, location, extent, or qu | poration incurred in the taxation year and after ality of a mineral resource in Canada: | 2002, for the purpose of |
| Geo Drilli | logical, geophysical, or geochemical surveys | methods | |
| reso prod Clea | ource in Canada into production in reasonable duction in such quantities: aring, removing overburden, and stripping | he taxation year and after 2002 for bringing a e commercial quantities and incurred before the commercial quantities and | ne new mine comes into |
| Othe | er pre-production mining expenditures incurre | ed in the taxation year and after 2002: | |
| | Descri 82 | | Amount 826 |
| | | Add amounts at column 826 | > xx |
| | Total p | — pre-production mining expenditures (add amo | unts RR to XX) 830 |
| Ded | the corporation has received or is entit | es, rebates, and forgivable loans) or reimburs led to receive in respect of the amounts referr | |
| | | Excess (line 830 minus line 832) (i | f negative, enter "0")YY |
| Add | : Repayments of government and non-gover | nment assistance | |
| Pre- | production mining expenditures (amount | YY plus amount ZZ) | AAA |
| | pre-production mining expenditure is define nder subsection 66(12.6). | d under subsection 127(9) and does not inclu- | de an amount renounced |

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

| Credit deemed as a remittance of co-op corporations Credit expired after 10 taxation years Subtotal ITC at the beginning of the taxation year Add: Credit transferred on amalgamation or wind-up of subsidiary Expenditures from line AAA, Part 16, incurred in 2003 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from Expenditures BBB, CCC, and DDD) Total credit available Deduct: Credit deducted from Part I tax (enter on line HHH in Part 19) EEE Subtotal FEE Subtotal FEE Subtotal FEE Subtotal FEE TC closing balance from pre-production mining expenditures Total (enter on line EEE in Part 17) Part 18 - Request for carryback of credit from pre-production mining expenditures Total (enter on line EEE in Part 17) FOAT Total ITC deducted from Part I tax (from line 260 in Part 5) FEF ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) FFF ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) GGGG | ITC at the end of the preceding to | axation year | | | | |
|--|---|----------------------------------|------------------|----------------------|--------------------|-----|
| TC at the beginning of the taxation year Subtotal | Deduct: | | | Fem | | |
| Subtotal | Credit deemed as a remittanc | e of co-op corporations | | 841 | | |
| Add: Credit transferred on amalgamation or wind-up of subsidiary Expenditures from line AAA, Part 16, incurred in 2003 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred after 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures fr | Credit expired after 10 taxation | n years | | | | |
| Add: Credit transferred on amalgamation or wind-up of subsidiary Expenditures from line AAA, Part 16, incurred in 2003 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred in 2004 Expenditures from line AAA, Part 16, incurred after 2004 Total current-year credit (add amounts BBB, CCC, and DDD) Total current-year credit (add amounts BBB, CCC, and DDD) Total credit available Deduct: Credit deducted from Part I tax (enter on line HHH in Part 19) Credit carried back to the preceding year(s) (from Part 18) Fart 18 - Request for carryback of credit from pre-production mining expenditures Subtotal Fee 1st preceding taxation year 2nd preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 - Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 15) FFF ITC from SR&ED expenditures deducted from Part I tax (from line 885 in Part 17) HHH- Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) III | ITC at the beginning of the taxati | on vear | | | | |
| Credit transferred on amalgamation or wind-up of subsidiary Expenditures from line AAA, Part 16, incurred in 2003 | | | | | | |
| Expenditures from line AAA, Part 16, incurred in 2003 | Credit transferred on amalgan | nation or wind-up of subsidiary | | | 860 | |
| Expenditures from line AAA, Part 16, incurred in 2004 | | Part 16, | | | | |
| incurred in 2004 | | | x | 5 % = | BBB | |
| Expenditures from line AAA, Part 16, incurred after 2004 | | | х | 7 % = | CCC | |
| Total current-year credit (add amounts BBB, CCC, and DDD) Total credit available Deduct: Credit deducted from Part I tax (enter on line HHH in Part 19) Credit carried back to the preceding year(s) (from Part 18) FITC closing balance from pre-production mining expenditures Year Month Day 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 - Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) FFF ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) GGG ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHH- Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | | Part 16. | | | | |
| BBB, CCC, and DDD) Total credit available Deduct: Credit deducted from Part I tax (enter on line HHH in Part 19) Credit carried back to the preceding year(s) (from Part 18) Fart 18 - Request for carryback of credit from pre-production mining expenditures Year | | | x | 10 % = | DDD | |
| Total credit available Deduct: Credit deducted from Part I tax (enter on line HHH in Part 19) Credit carried back to the preceding year(s) (from Part 18) Subtotal Part 18 - Request for carryback of credit from pre-production mining expenditures 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 - Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 12) FFF ITC from SR&ED expenditures deducted from Part I tax (from line 885 in Part 17) HHH- Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) III | Total current-year credit (add BBB, CCC, and DDD) | amounts | | 880 | > | |
| Credit deducted from Part I tax (enter on line HHH in Part 19) Credit carried back to the preceding year(s) (from Part 18) Subtotal Part 18 - Request for carryback of credit from pre-production mining expenditures Teach in Month Day Year Month Day Total (enter on line EEE in Part 17) Part 19 - Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 12) ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) III Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | | | | | | |
| Credit carried back to the preceding year(s) (from Part 18) Subtotal | Deduct: | | | | | |
| Subtotal | | • | 9) | 885 | | |
| Part 18 – Request for carryback of credit from pre-production mining expenditures Section Part 18 – Request for carryback of credit from pre-production mining expenditures | Credit carried back to the pred | ceding year(s) (from Part 18) | | | | |
| Part 18 – Request for carryback of credit from pre-production mining expenditures Year Month Day | | | | Subtotal | > | |
| 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 885 in Part 17) Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | ITC closing balance from pre-p | production mining expenditu | res | | | |
| 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 885 in Part 17) Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | | | | | | |
| 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 885 in Part 17) Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | - Part 18 – Request for carry | back of credit from pre-pr | oduction m | ining expenditures | | |
| 1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHI- Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | ran io moqueetie early | | | g oxponuntaros | | |
| 2nd preceding taxation year 3rd preceding taxation year 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) GGO ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHF Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | | Year Month Day | | 0 111 | | |
| 3rd preceding taxation year Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHF Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | | | | | | |
| Total (enter on line EEE in Part 17) Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHH- Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | · · | | | | | |
| Part 19 – Total ITC deducted from Part I tax ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHF Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | Sid preceding taxation year | | | | | |
| ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) | | | | Total (enter on iii) | e LLL IIII ait 17) | |
| ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) | D 440 T 4 1 1 TO 1 1 4 | 16 5 414 | | | | |
| ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) | - Part 19 - Total IIC deducte | ed from Part I tax ———— | | | | |
| ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 17) HHH- Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) III | ITC from investments in qualified | property deducted from Part | I tax (from line | 260 in Part 5) . | | FFF |
| Total ITC deducted from Part I tax (add lines FFF, GGG, and HHH) | ITC from SR&ED expenditures d | educted from Part I tax (from li | ine 560 in Par | t 12) | | GGG |
| | ITC from pre-production mining e | expenditures deducted from Pa | art I tax (from | ine 885 in Part 17) | | HHH |
| | | • | I HHH) . | | | III |

- Part 20 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED -

You will have a recapture of ITC in a year when all of the following conditions are met:

- you acquired a particular property in the current year or in any of the 10 preceding taxation years;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in computing your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

Note

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following taxation year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions -Amount of ITC you originally calculated Amount calculated using ITC rate Amount from column 700 or 710, for the property you acquired, or the at the date of acquisition whichever is less original user's ITC where you acquired the (or the original user's date of acquisition) property from a non-arm's length party, as on either the proceeds of disposition described in the note above (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 700 710 1.

Subtotal (enter this amount on line MMM in Part 21)

_ JJJ

Calculation 2 – Only if you acquired all or a part of the qualified expenditure from another person under – an agreement described in subsection 127(13); otherwise, enter nil at line KKK in Part 20.

| A | В | С |
|---|---|--|
| The rate percentage that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement | The proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition | The amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) |
| 720 | 730 | 740 |
| | | |

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2005-12-31 |

| | ou acquired all or a part of the qualific under an agreement described in subs on line KKK below. | ection 127(13); otherwise, |
|--|--|--|
| D | E | F |
| he amount determined by the formula (A x B) - C | The ITC earned by the transferee in respect of the qualified expenditures which were transferred | Amount from column D or E, whichever is less |
| | 750 | |
| Subtotal | (enter this amount on line NNN in Part 21) = | |
| e amount of the recapture. If this amount the partnership does not have sufficient I | eport your share of the ITC of the partnership are is a positive amount you will report it on line TC otherwise available to offset the recapture determined and reported on line LLL below. | 550 in Part 12. However, |
| | excess of ITC (amount to be reported on line (| 000 in Part 21) 760 |

| Part 21 – Total recapture of investment tax credit | |
|--|------|
| Recaptured ITC for calculation 1 from line JJJ in Part 20 | MMM |
| Recaptured ITC for calculation 2 from line KKK in Part 20 above | NNN_ |
| Recaptured ITC for calculation 3 from line LLL in Part 20 above | 000 |
| Total recapture of investment tax credit – Add lines MMM, NNN, and OOO | PPP |

Summary of Investment Tax Credit Carryovers

515 or 845, as applicable, of Schedule 31 for the subsequent fiscal period.

| Current year | | | | | |
|----------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|---|
| | Addition current year (A) | Applied current year (B) | Claimed as a refund (C) | Carried back (D) | ITC end of year (A-B-C-D) |
| Prior years | | | | | |
| Taxation year | ITC beginning of year (E) | Adjustments (F) | Applied current year (G) | ITC expired (H) See Note | ITC end of year (E-F-G-H) See Note |
| 1st prior year | | | | | |
| 2nd prior year | 63,458 | | | | 63,45 |
| 3rd prior year | | | | | |
| 4th prior year | | | | | |
| 5th prior year | | | | | |
| 6th prior year | | | | | |
| 7th prior year | | | | | |
| 8th prior year | | | | | |
| 9th prior year 0th prior year | | | | | |
| Total | 63,458 | | | | 63,45 |
| i Otai | 03,430 | | | | 03,430 |
| Total ITC utilized (B+C | ·D·C) | | | | |



Agence des douanes et du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|-------------------|-------------------------------------|
| Niagara West Transformation Corporation | 87681 9301 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.

| | | Provide only o | ne number per sha | reholder | | |
|----|--|-------------------|----------------------------|--------------|--------------------------------|-----------------------------------|
| | Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) | Business Number | Social Insurance Number | Trust Number | Percentage common shares | Percentage preferred shares |
| | 100 | 200 | 300 | 350 | 400 | 500 |
| 1 | Niagara Power Inc. | 86880 5920 RC0001 | | | 50.000 | |
| 2 | Peninsula West Power Inc. | 89108 9419 RC0001 | | | 50.000 | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |

T2 SCH 50 (06) Canadä



Ministry of Finance

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

2006

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF) Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) 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**

The Annual Return (common page 1 and MGS 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 -

| MGS Annual Return Required? (Not required if already find Annual Return exempt. F | | No Pa | age 1 of 20 | | | |
|---|--|---------------|-------------------|--|--|--|
| Corporation's Legal Name (including punctuation) | | | | Ontario Corporations Tax Account No. (MOF) | | |
| | | | | 1800380 | | |
| Niagara West Transformation Corporation | This Return covers the Taxation Year | | | | | |
| Mailing Address | | | | Start year month day | | |
| | | | | 2005-01-01 | | |
| 4548 Ontario Street | | | | year month day | | |
| Dagmoville | | | | 2005-12-31 | | |
| Beamsville ON CA LOR 1B5 | | | | | | |
| | | | anth day | Detection on the control of the cont | | |
| Has the mailing address changed since last filed CT23 Return? | Date of Change | year m | onth day | Date of Incorporation or Amalgamation | | |
| Registered/Head Office Address | | | | year month day 2003-09-05 | | |
| | | | | 2003-09-03 | | |
| 4548 Ontario Street | | | | | | |
| Deemeralle | | | | Ontario | | |
| Beamsville ON CA LOR 1B5 | | | | Corporation No. (MGS) 1586499 | | |
| ON CA LOR 163 | | | | | | |
| Location of Books and Records | | | | | | |
| 4548 Ontario Street | | | | Occasio Barrara Arrara Barrara Na | | |
| | | | | Canada Revenue Agency Business No. If applicable, enter | | |
| Beamsville | | | | | | |
| ON CA LOR 1B5 | | | | 87681 9301 RC0001 | | |
| Name of person to contact regarding this CT23 Return | Telephone No. | Fax No. | | | | |
| | | | | Jurisdiction | | |
| KAREN BUBISH | (905) 563-5550 | | | Incorporated Ontario | | |
| Address of Principal Office in Ontario (Extra-Provincial Corpo | | - | (MGS) | | | |
| | | | | If not incorporated in Ontario, indicate the date Ontario business activity commenced | | |
| | | | | and ceased: | | |
| | | | | year month day Commenced | | |
| Ontario Canada | | | | | | |
| | | | | year month day | | |
| Former Corporation Name (Extra-Provincial Corporations on | ly) X Not Applicable | e | (MGS) | Ceased | | |
| | | | | X Not Applicable | | |
| | | | | | | |
| Information on Directors/Officers/Administrators must be | ne completed on MGS | No. of | Schedule(s) | Preferred Language / Langue de préférence | | |
| Schedule A or K as appropriate. If additional space is re | equired for Schedule A, | | | X English French français | | |
| only this schedule may be photocopied. State number s | ubmitted (MGS). | | | Ministry Use | | |
| If there is no change to the Directors'/Officers'/Adminis | trators' information previo | ously | □ No | | | |
| submitted to MGS, please check (X) this box. Schedule | (s) A and K are not requir | red (MGS). | ► X No Change | | | |
| | Certifica | ation (MGS) | | | | |
| I certify that all information set out in the Annu | | · · · · · | | | | |
| Name of Authorized Person (Print clearly or type in full) | arreturn is true, cor | rect and comp | piete. | | | |
| KAREN BUBISH | | | | | | |
| D 0 P | | | | | | |
| Title: Director X Officer Other income of the Co | dividuals having knowledge orporation's business activiti | es | | | | |
| Note: Sections 13 and 14 of the Corporations Infor | | | ng false or misle | ading statements or omissions. | | |

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

CT23 Page 4 of 20 **Income Tax**

| Allocation – If you carry on a business throportion of taxable income deemed earned | | | | llocate that | | DOLLARS ONLY |
|--|---|--|--|----------------------|-----------------|--------------|
| Net Income (loss) for Ontario purposes (pe | er reconciliation schedule, page 15) | | | ± | From 69 | -344,575 |
| Subtract: Charitable donations | | | | | - 1 | • |
| Subtract: Gifts to Her Majesty in right of Ca | anada or a province and gifts of cultural | I property (Attac | ch schedule 2) | | - 2 | • |
| Subtract: Taxable dividends deductible, pe | r federal Schedule 3 | | | | - 3 | • |
| Subtract: Ontario political contributions (At | tach Schedule 2A) (Int.B. 3002R) | | | | - 4 | • |
| Subtract: Federal Part VI.1 tax | • x 3 | | | | - 5 | • |
| Subtract: Prior years' losses applied – | Non-capital losses | | | | - From 70 | • |
| | From 715 | | inclusion 1 | 1 | | |
| | Net capital losses (page 16) | X | rate 50.000 | 000 % = _ | - 71 | 4 |
| | Farmlosses | | | | - From 72 | |
| | Restricted farm losses | | | | - From 73 | = |
| | Limited partnership losses - | | | | - From 75 | |
| Taxable Income (Non-capital loss) | | | | = | = 1 | -344,575 |
| Addition to taxable income for unused forei Adjusted Taxable Income 10 + 11 | gn tax deduction for federal purposes (if 10 is negative, enter 11) | | + 11 | | • | |
| Adjusted Taxable Income | (ii 10 isnegative, enter 11) | | = 20 | | | |
| | | | • | in Taxation Year | _ | |
| Taxable Income | | | Days after Dec. 31, 20 and before Jan. 1, 20 | 002 04 Total Days | 5 | |
| From 10 (or 20 if applicable) | • x 30 100.0000 % | x 12.5 % | x 33 | ÷ 73 365 | = + 2 | 9 |
| | Ontario Allocation | | Days after Dec. 31, 20 | 003 Total Days | | |
| From [42] ([22] (11.11) | V [30] 100 0000 01 | V | | | | |
| From 10 (or 20 if applicable) | X 30 100.0000 % Ontario Allocation | X 14 % | X 34 365 | ÷ 73 365 | _]= + _3 | |
| Income Tax Payable (before deduction | | | | | = 4 | • |
| Incentive Deduction for Small If this section is not completed, the ID: | • | SBC) (s.41) | | | | |
| Did you claim the federal Small Busines federal Small Business Deduction had | | | | | | Yes X No |
| * Income from active business carried on ir | n Canada for federal purposes (fed.s.1) | 25(1)(a)) | 50 | | • | |
| Federal taxable income, less adjustment for | (: | + 51 | | | | |
| Add: Losses of other years deducted f | | + 52 | | | | |
| Subtract: Losses of other years deducted f | , , , , | - 53 | <u> </u> | | | |
| , | , | = | <u>•</u> • 54 | | • | |
| Federal Business limit (line 410 of the T2 F before the application of fed.s.125(5.1) | Return) for the year | 55 | 300,000 • | | | |
| Ontario Business Limit Calculation | | | | | | |
| Days after Dec. 31, 2002 and before Jan. 1, 2004 | | | | | | |
| and before Jan. 1, 2004 | | | | | | |
| 320,000 x <u>31</u> ÷ 36 | 5 = + 46 | | | | | |
| Days after Dec. 31, 2003 | | Dorontone | of Fodoral | | | |
| 400,000 x 34 365 ÷ ** 36 | 5 = + 47 400,000 • | Percentage Busine (from T2 Sc Enter 1 | ss limit hedule 23). | | | |
| Business Limit | | notasso | | | | |
| for Ontario purposes 46 + 47 | = 44 400,000 ● | x 48 10 | 0.0000 % = 45 | 400,00 | 00 • | |
| Income eligible for the IDSBC - | Fro | | 0.0000 % x 56 tario Allocation | Least of 50, | = 6 54 or 45 | _ |
| | | | | | | _ |
| • () () | corporations that are members of a page | , , | er to Guide.) | | | |

- *** Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

Taxation Year End

CT23 Page 5 of 20

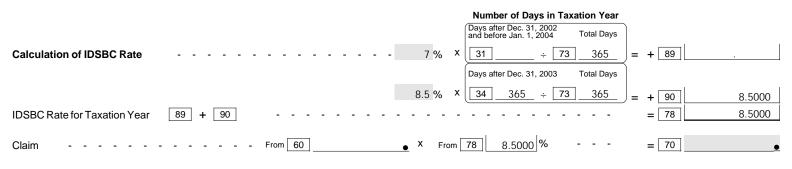
DOLLARS ONLY

Niagara West Transformation Corporation

1800380

2005-12-31

Income Tax continued from Page 4



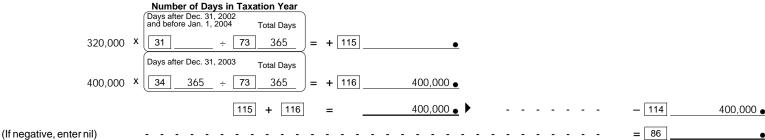
Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in 114 below.

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 ifapplicable) | + 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) Taxation Year End (if applicable) | * Taxable Income (if loss, enter nil) |



| | | Number of Days in Taxation Year | |
|--|-------------|-------------------------------------|---------------|
| | | Days after Dec. 31, 2002 Total Days | |
| Calculation of Specified Rate for Surtax | 4. | 6670 % X 38 365 ÷ 73 365 | = + 97 4.6670 |
| From 86 | X From 97 | 4.6670 % | = 87 <u>•</u> |
| From 87 | • X From 60 | • ÷ From 114 400,000 • | = 88 |

* 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.

Surtax Lesser of

70 or 88

100

82

continued on Page 7

| | DOLLARS ONL! |
|---|--------------------------------------|
| 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 det by regulations. | ermined |
| Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, a depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming 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 reprocessing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is | |
| Eligible Canadian Profits + | 120 |
| | From 56 |
| Add: Adjustment for Surtax on Canadian-controlled private corporations | |
| $ \begin{array}{c ccccccccccccccccccccccccccccccccccc$ | |
| Lesser of 56 or 121+ | 122 |
| 120 - 56 + 122 = | 130 |
| | From 10 -344,575 |
| | |
| | From 56 |
| · | From 122 |
| Subtract: Taxable Income 10344,575 X Allocation % to jurisdictions outside Canada% | 140 |
| Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses | 141 |
| 10 - 56 + 122 - 140 - 141 = | 142 |
| | |
| Days after Dec. 31, 2002 | |
| | [|
| 143 | = + 154 |
| Days after Dec. 31, 2003 Total Days | |
| 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 |
| * Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See sp | ecial rules (s.43(1)) |
| Manufacturing and Brassacing Brofits Credit for Floring Conserting Cornerations | [] |
| 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 Busines Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the Business Development Corporations Act) | s Development former <i>Small</i> |
| Eligible Credit 175 Credit Claim | ned 180 |
| · — — — — — — — — — — — — — — — — — — — | |
| Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 | = 190 |

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Income Tax continued from Page 6

| Specified Tax Credits (Refer to Guid | 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 Name of Production | | |
| eligible Canadian content film and television productions. | | |
| 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) No. of Graduates From 6596 | | |
| 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. | | |
| Eligible Credit From 6598 CT23 Schedule 115 (<i>Attach Schedule 115</i>) | + 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 | |
| | T 201 | |
| Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896 | | |
| Applies to employment of eligible apprentices. | . [000] | |
| Eligible Credit From 5898 CT23 Schedule 114 (<i>Attach Schedule 114</i>) | + 203 | |
| Other (specify) | + 203.1 | • |
| Total Specified Tay Credite: 404 , 400 , 400 , 400 , 400 , 400 , 400 , 400 , 600 , 600 , 600 , 600 , 600 , 600 , | | |
| 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 | |
| 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 redi | 100 | |
| | | |

income tax otherwise payable, then proceed to and complete the Application of CMT Credit Carryovers section part B, on Page 8.

DOLLARS ONLY

| Total Assets of the corporation Total Revenue of the corporation | | | + 240 | 7,845,588 • | + 241 | 537,856 ♠ |
|--|--|------------------------------|--------------------|------------------------|-------------------|---------------------|
| The above amounts include the corporation's and ass | ociated corporations' share of a | any partnership(s)/joir | nt venture(s | | | |
| 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 | To | otal Assets | Total | Revenue |
| | - | | + 243 | • | | • |
| | | | + 245 _ | | + 246 + 248 | |
| Aggregate Total Assets 240 + 243 + 245 + Aggregate Total Revenue 241 + 244 + 246 + | | | = 249 | 7,845,588 • | = 250 | 537,856 • |
| Determination of Applicability | | | | | | |
| | ,000 <i>or</i> Total Revenue 250 | exceeds \$10,000,000. | | | | |
| Short Taxation Years – Special rules apply for determ | | . , , | oration or a | ny associated corpo | ration or | |
| any fiscal period of any partnership(s) / joint venture(s) | · | • | | | | |
| Associated Corporation – The total assets or total re on or before the date of the claiming corporation's taxat | | ns is the total assets or | total reveni | ue for the taxation ye | ar ending | |
| If CMT is applicable to current taxation year, complete | section Calculation: CMT belo | wand Corporate Min | imum Tax | Schedule 101. | | |
| Calculation: CMT (Attach Schedule 101.) | | | | | | |
| Gross CMT Payable CMT Base From | Schedule 101 2136 If negative, 6 | x From 30 | 100.0 Ontario A | | = 276 | • |
| Subtract: Foreign Tax Credit for CMT purposes (Attac. Subtract: Income Tax | h Schedule) | | | — Fro | 277 | • |
| Net CMT Payable (If negative, enter Nil on Page 17 | 7) | | | = | 280 | • |
| | _ | | | | | |
| If 280 is less than zero and you do not have a CMT | , , | from Page 7 to Inc | ome Tax S | Summary, on Page | 17. | |
| If 280 is less than zero and you have a CMT credit | | | | | | |
| If 280 is greater than or equal to zero, transfer 23 Credit Carryovers. | 0 to Page 17 and transfer 2 | 80 to Page 17, and to | Part 4 of | Schedule 101: Con | tinuity of CN | ΛT |
| CMT Credit Carryover available From S | Schedule 101 | | | From | m 2333 | • |
| Application of CMT Credit Carryovers | | | | | | |
| A. Income Tax (before deduction of specified credit Gross CMT Payable Subtract: Foreign Tax Credit for CMT purposes If 276 - 277 is negative, enter NIL in 290 | | + From 276 From 277 | | + Fro | om 190 | • |
| Income Tax eligible for CMT Credit | | | | <u> </u> | 300 | • |
| B. Income Tax (after deduction of specified credits) Subtract: CMT credit used to reduce income tax Income Tax | | | | + Fro | 230 310 320 | Transfer to page 17 |
| If A & B apply, 310 cannot exceed the lesser of | 230 , 300 and your CMT | credit carryover ava | ilable 233 | | | |
| If only B applies, 310 cannot exceed the lesser | of 230 and your CMT cred | lit carryover available | 2333 . | | | |

Niagara West Transformation Corporation

Corporation's Legal Name

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

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

480 and

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 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

Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)

Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)

Total Eligible Investments

continued on Page 10

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(2)(a) or 2(2)(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).

| a corporation. II | Timestificiti Allowance is claimed, Total Assets flust be 5.05(1)(a) (flut.b. 5010). | | |
|-------------------|---|----------------|-----------|
| Paid-up Ca | pital | | |
| Paid-up capital | stock (Int.B. 3012R and 3015R) | + 350 | 2,400,100 |
| Retained earnir | ngs (if deficit, deduct) (Int.B. 3012R) | ± 351 | -958,311 |
| Capital and other | er surpluses, excluding appraisal surplus (Int.B.3012R) | + 352 | |
| | ances (Attach schedule) (Int.B. 3013R) | + 353 | 5,882,000 |
| Bank loans (Int. | .B. 3013R) | + 354 | |
| Bankers accept | tances (Int.B. 3013R) | + 355 | |
| Bonds and deb | entures payable (Int.B. 3013R) | + 356 | |
| Mortgages paya | able (Int.B. 3013R) | + 357 | |
| Lien notes paya | able (Int.B. 3013R) | + 358 | |
| | s (including income tax reserves, and deferred revenue where it would also | | |
| | paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R) | + 359 | 414,000 |
| • | restment, inventory and similar reserves (Int.B. 3012R) | + 360 | |
| | not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R) | + 361 | |
| | ership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R) | + 362 | |
| Subtotal | | = 370 | 7,737,789 |
| | Amounts deducted for income tax purposes in excess of amounts booked Retain calculations. Do not submit.) (Int.B. 3012R) | – 371 | 1,146,882 |
| | Deductible R & D expenditures and ONTTI costs deferred for income tax into a linearly deducted for book purposes (Int.B. 3015R) | _ 372 | |
| Total Paid-up | | = 380 | 6,590,907 |
| - | Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R) | - 381 | |
| to fo C | 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 or 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] | |
| Net Paid-up | Capital | = 390 | 6,590,907 |
| Attach computa | restments (Refer to Guide and Int.B. 3015R) actions and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial | paper, etc.) | |
| · · | 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. | | |
| | es and similar obligations, (similar obligations, e.g. stripped ns, 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 | |
| ∟oans and adva | ances to unrelated corporations | + 405 | |
| Elizible leene e | and advances to related corrections (sortion restrictions apply) (Pafer to Cycle) | 400 | |

+ 406

+ 407

= 410

| Capital Tax | Continued from Page 9 | CT23 | Page 10 of 20 |
|---------------------|--|---------------------------------|----------------------------|
| Total Assets | (Int.B. 3015R) | | DOLLARS ONLY |
| Total Assets per b | | + 420 | 7,845,588 • |
| Mortgages or othe | r liabilities deducted from assets | + 421 | |
| Share of partnersh | ip(s)/joint venture(s) total assets (Attach schedule) | + 422 | |
| Subtract: Investme | ent in partnership(s)/joint venture(s) | - 423 | |
| Total Assets as a | · · · <u></u> | = 430 | 7,845,588 |
| | and 361 (if deducted from assets) | + 440 | |
| | sin 371, 372 and 381 | – 441 | 1,146,882 • |
| Subtract: Appraisa | | - 442 | |
| Total Assets | ther adjustments (specify on an attached schedule) | ± 443 = 450 | 1 |
| | | | 0,0,0,000 |
| | llowance (410 ÷ 450) x 390 Not to exceed 410 | = 460 | |
| Taxable Capi | tal 390 – 460 | = 470 | 6,590,907 |
| Gross Revenu | (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 | | 537,856 |
| Total Assets (a | s adjusted) |] | 7,845,588 • |
| | | | |
| Calculatio | n of Capital Tax for all Corporations except Financial Institutions | | |
| | ion (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 20 | 03. | |
| | use calculations on page 13. | | |
| | If the corporation is a family farm corporation, family fishing corporation or a credit union that is no | ot a Fina | ncial |
| Important: | 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, t | hen review |
| | only the Capital Tax calculations in Section C below, selecting and completing the one specific sul applies to the corporation. | osection | (e.g. C3) that |
| OR | If the corporation is a member of an associated group and/or partnership, complete Section B below | ow and s | Section D |
| | on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation | | ember of a |
| | connected partnership, please refer to the CT23 Guide for additional instructions before completin Capital Tax section. | g the | |
| SECTION A | Capital Tax Section. | | |
| | es only if the corporation is a family farm corporation, a family fishing | | |
| | edit 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 Ta | xable Capital Deduction (TCD) Number of Days in Taxation Year | | |
| | Days before Jan. 1, 2005 Total Days | | |
| | $5,000,000 \times \boxed{35} \div \boxed{73} 365 = + \boxed{500}$ | | • |
| | Days after Dec. 31, 2004 Total Days | | <u>=</u> |
| | and before Jan. 1, 2006 | | |
| | | ,500,000 | <u>•</u> |
| | Days after Dec. 31, 2005 and before Jan. 1, 2007 | | |
| | $10,000,000 X \boxed{37} \div \boxed{73} 365 \boxed{} = + \boxed{502} \boxed{}$ | | • |
| | Taxable Capital Deduction (TCD) $\boxed{500} + \boxed{501} + \boxed{502} = \boxed{503}$ | ,500,000 | • |
| SECTION C | | | |
| This section applie | es if the corporation is not a member of an associated group and/or partnership. | | |
| C1. If 430 a | nd 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that po | oint. | |
| C2. If Taxable C | apital 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 C | apital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from the tentral tent | to 543 | on page 12, |
| | , | | |
| + From 470 | 7.500.000 | | |
| - From 503 = 471 | | + 523 | 1 |
| = 471 | | = + <u> 523</u> Transfer to | · |
| continued on P | 303 (666 ii 1646 year) | | the return from that point |

Niagara West Transformation Corporation

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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

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

+ 531 + 532 + 533 = 540

V If □

If $\boxed{540}$ above is equal to or less than the TCD $\boxed{503}$ 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 • From 540 • X From 503 • = 541

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.

Capital Tax Calculation continued from Page 11

| SECTION E |
|---|
| This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate axable Capital 540 on page 11 exceeds the TCD 503 on page 10. |
| complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point. |
| + From 470 |
| SECTION F |
| this section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election + From 470 |
| Capital tax deduction from 995 relating to your corporation's Capital Tax deduction, on Schedule 591 From 995 = 562 |
| Days in taxation year * 365 (366 if leap year) * 365 (366 if leap year) * Total Capital Tax for the taxation year * 365 (366 if leap year) * Transfer to 543 and complete the return from that point |
| If floating taxation year, refer to Guide. |
| Capital Tax before application of specified credits = 543 Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) 546 |
| Capital Tax 543 - 546 (amount cannot be negative) = 550 Transfer to Page 17 |

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Capital Tax continued from Page 12

Calculation of Capital Tax for Financial Institutions

| 1 1 | Credit Unions only | |
|-------|--|-----------------------------------|
| | axation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point. | |
| 1.2 | Other than Credit Unions | |
| | ain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.) | |
| | Days in taxation year | |
| 565 | Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1 | + 569 |
| 570 | Days in taxation year Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount Days in taxation year State State | + 574 |
| | oating taxation year, refer to Guide. | = 575 |
| 2. 8 | Small Business Investment Tax Credit | |
| | ain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.) | |
| Allov | vable Credit for Eligible Investments | – 585 |
| Fina | ncial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) | |
| Сар | oital Tax - Financial Institutions 575 - 585 | = 586 Transfer to 543 on Page 12 |
| Pre | emium Tax (s.74.2 & 74.3) (Refer to Guide) | |
| (1) | Uninsured Benefits Arrangements | = 588 |
| (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. | |
| Ded | uct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) | _ [589] |
| Pre | mium Tax 588 – 589 | = 590 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 12 Schedule 1 | | | <u> </u> | -344,575 Transfer to Page 1: |
|--|-------|----------------------|----------|-------------------------------|
| Add: | | | | |
| Federal capital cost allowance | + 601 | 247,701 • | | |
| Federal cumulative eligible capital deduction | + 602 | • | | |
| Ontario taxable capital gain | + 603 | • | | |
| Federal non-allowable reserves. Balance beginning of year | + 604 | • | | |
| Federal allowable reserves. Balance end of year | + 605 | • | | |
| Ontario non-allowable reserves. Balance end of year | + 606 | • | | |
| 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 | | | |
| All Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide) | + 617 | • | | |
| Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼ | | | | |
| Number of Days in Taxation Year | | | | |
| Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | | | | |
| 612 • x 5 / 12.5 x 33 ÷ 73 365 =+ 633 | | | | |
| | | | | |
| Days after Dec. 31, 2003 Total Days | | | | |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$ | | | | |
| 012 | | | | |
| 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 | 1 | | |
| | | | · | 0.17 70.1 |
| Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 | = | 247,701 _• | 640 | 247,701 Transfer to Page 1 |
| | | | | |
| Deduct: | | | | |
| Ontario capital cost allowance (excludes amounts deducted under 675) | + 650 | | | |
| Ontario cumulative eligible capital deduction | + 651 | • | | |
| Federal taxable capital gain | + 652 | | | |
| Ontario non-allowable reserves. Balance beginning of year | + 653 | • | | |
| Ontario allowable reserves. Balance end of year | + 654 | • | | |
| Federal non-allowable reserves. Balance end of year | + 655 | • | | |
| 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 | | | |
| 5 | | | | |
| Subtotal of deductions for this page 650 to 659 + 661 + 675 | 681 | 247,701 • | | |
| | • | Transfer to Page 15 | | |
| | | | | |

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664

600 + 640 - 680

Net income (loss) for Ontario Purposes

Niagara West Transformation Corporation 1800380 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 From ± 600 Net Income (loss) for federal income tax purposes, per federal Schedule 1 -344,575 = 640 Total of Additions on page 14 247,701 • Sub Total of deductions on page 14 681 247,701 • 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 From 662 From 662 663 From 30 100.0000 Ontario Allocation **Workplace Child Care Tax Incentive (WCCT)** (Applies to eligible expenditures incurred prior to January 1, 2005.) 665 = 666 30 % 100 Qualifying expenditures: 30 100.0000 From Ontario allocation **Workplace Accessibility Tax Incentive (WATI)** (Applies to eligible expenditures incurred prior to January 1, 2005.) 100 % Х 100 = 668 667 Qualifying expenditures: From 30 100.0000 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) = 671 670 100 Qualifying expenditures: From 30 100.0000 Ontario allocation **Educational Technology Tax Incentive (ETTI)** (Applies to eligible expenditures incurred prior to January 1, 2005.) 672 15 % 100 = 673 Qualifying expenditures: From 30 100.0000 Ontario allocation + 678 Ontario allowable business investment loss 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 + 664 Total of other deductions allowed by Ontario (Attach schedule)

= 690

247,701 •

-344,575 •

Transfer to Page 4

247,701 • 680

Continuity of Losses Carried Forward

DOLLARS ONLY

| | | Non-Capital Losses (1) | Total Capital Losses | Farm Losses | Restricted Farm Losses | Listed Personal Property Losses | Limited Partnership Losses (6) |
|-----------|--|---------------------------|-------------------------|--------------------|---------------------------|------------------------------------|-----------------------------------|
| Balance a | t Beginning of Year | 700 (2) 225,765 | 710 (2) | 720 (2) | 730 | 740 | 750 |
| Add: | Current year's losses (7) | 701 344,575 | 711 | 721 | 731 | 741 | 751 |
| | Losses from predecessor corporations (3) | 702 | 712 | 722 | 732 | | 752 |
| Subtotal | | 703 344,575 | 713 | 723 | 733 | 743 | 753 |
| Subtract: | Utilized during the year to reduce taxable income | 704 (2) | 715 (2) (4) | 724 (2) | 734 (2) (4) | 744 (4) | 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 | |
| Subtotal | . , | 707 | 717 | 727 | 737 | 747 | 757 |
| Balance a | t End of Year | 709 (8) 570,340 | 719 | 729 | 739 | 749 | 759 |

Analysis of Balance at End of Year by Year of Origin

| ,ui | Analysis of Balance at End of Tear by Tear of Origin | | | | | | |
|--------|--|--------------------|--|---|-------------|---------------------------|--|
| | Year of Origin (oldest year first) | Non-Capital Losses | Non-Capital Losses of Predecessor Corporations | Total Capital Losses from Listed Personal Property only | Farm Losses | Restricted Farm Losses | |
| | year month day | | | 1 Toperty only | | | |
| 800 | 9th preceding taxation year | 817 (9) | 860 (9) | | 850 | 870 | |
| | 1996-12-31 | | | | | | |
| 801 | 8th preceding taxation year | 818 (9) | 861 (9) | | 851 | 871 | |
| | 1997-12-31 | | | | | | |
| 802 | 7th preceding taxation year | 819 (9) | 862 (9) | | 852 | 872 | |
| | 1998-12-31 | | | | | | |
| 803 | 6th preceding taxation year | 820 | 830 | 840 | 853 | 873 | |
| | 1999-12-31 | | | | | | |
| 804 | 5th preceding taxation year | 821 | 831 | 841 | 854 | 874 | |
| | 2000-12-31 | | | | | | |
| 805 | 4th preceding taxation year | 822 | 832 | 842 | 855 | 875 | |
| | 2001-12-31 | | | | | | |
| 806 | 3rd preceding taxation year | 823 | 833 | 843 | 856 | 876 | |
| | 2002-12-31 | | | | | | |
| 807 | 2nd preceding taxation year | 824 | 834 | 844 | 857 | 877 | |
| | 2003-12-31 | | | | | | |
| 808 | 1st preceding taxation year | 825 | 835 | 845 | 858 | 878 | |
| | 2004-12-31 | 225,765 | | | | | |
| 809 | Current taxation year | 826 | 836 | 846 | 859 | 879 | |
| | 2005-12-31 | 344,575 | | | | | |
| Total | | 829 | 839 | 849 | 869 | 889 | |
| i Otai | | 570,340 | | | | | |

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.
- Include non-capital losses incurred in taxation years ending after March 22, 2004.

Application of Losses

Total amount of loss

Non-Capital Losses

344,575

910

Restricted Farm

Losses

940

DOLLARS ONLY

Niagara West Transformation Corporation

1800380

2005-12-31

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,

Total Capital Losses

920

- 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.

930

Farm Losses

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.

| Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income | | | | | |
|---|---|----------------------|--------------------------|---|--|
| Predecessor Ontario Corporation's Taxation Year Ending Tax Account No. (MOF) year month day | 044 | 004 | 004 | 044 | |
| 901 | 911 | 921 | 931 | 941 | |
| i) 3 rd preceding <u>2002-12-31</u> | 912 | 922 | 932 | 942 | |
| ii) 2 nd preceding | 312 | 322 | 932 | 342 | |
| 903 | 913 | 923 | 933 | 943 | |
| iii) 1 st preceding 2004-12-31 | | | | | |
| Total loss to be carried back | From 706 | From 716 | From 726 | From 736 | |
| Balance of loss available for carry-forward | 919 344,575 | 929 | 939 | 949 | |
| Summary | Certification | on | | | |
| IncomeTax + From 230 or 320 | Lam an authorize | od signing officer o | of the corporation. I ce | rtify that this CT22 | |
| Corporate Minimum Tax + From 280 | return, including | all schedules and | statements filed with | or as part of this CT23 nd complete return and | |
| Capital Tax + From 550 | that the informati | on is in agreemen | | ecords of the corporation. | |
| PremiumTax + From 590 | position and operating results of the corporation as required under section 75 of | | | | |
| Total Tax Payable = 950 | 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 | | | | |
| Subtract: Payments 960 9,540 | statement attache | ed. | | | |
| Capital Gains Refund (s.48) 965 | Name (please pri | int) | | | |
| Qualifying Environmental Trust Tax Credit <i>(Refer to Guide)</i> – 985 | KAREN BUBIS | SH | | | |
| Specified Tax Credits (Refer to Guide) 955 | Title | <u> </u> | | | |
| Other, specify | OFFICER | | | | |
| Balance = 970 -9,540 | Full Residence A | ddress | | | |
| If payment due Enclosed * 990 | • | | | | |
| If overpayment: Refund (Refer to Guide) - = 975 9,540 | • | | | | |
| year month day | | | | | |
| Apply to 980 (Includes credit interest | Signature | | Da | ate | |
| * 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.) | | of the Corporation | | enalties for making false | |

Corporate Minimum Tax (CMT) CT23 Schedule 101

CMT Base

| CT23 Schedule 101 | | |
|--|--|--------------------------|
| Corporation's Legal Name | Ontario Corporations Tax Account No. (| (MOF) Taxation Year End |
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |
| Part 1: Calculation of CMT Base Banks – Net income/loss as per report accepted by Superintendent of Funder the Bank Act (Canada), adjusted so consolidation/equity methods Life insurance corporations – Net income/loss before Special Addition | are not used. |) or (d) |
| Net Income/Loss (unconsolidated, determined in accordance with GAAF | | ± 2100 -763,710 • |
| Subtract (to the extent reflected in net income/loss): | , | 2.00 |
| Provision for recovery of income taxes / benefit of current income taxe Provision for deferred income taxes (credits) / benefit of future | es + 2101 19,000 • | |
| income taxes | | |
| Equity income from corporations | | |
| Share of partnership(s)/joint venture(s) income | | |
| | + 2105 | |
| | + 2106 | |
| ` , | + 2107 | |
| • • | + 2108 | |
| Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) | + 2109 | |
| Subtotal | = 19,000 | - 2110 19,000 • |
| Add (to extent reflected in net income/loss): | 17,000 | |
| · | + 2111 | |
| Provision for deferred income taxes (debits) / cost of future | | |
| income taxes | + 2112 524,000 | |
| 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 Finance | ial | |
| Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + 2115 | |
| Subtotal Add/Subtract: | … = 524,000 ▶ | + 2116 524,000 |
| Amounts relating to s.57.9 election/regulations for disposals etc. of programme of the second | operty for current/prior years | |
| ** Fed.s.85 | or - 2118 | |
| ** Fed.s.85.1 + 2119 | or – 2120 | |
| ** Fed.s.97 | or – 2122 | |
| ** Amounts relating to amalgamations | | |
| for current/prior years + 2123 | • or - 2124 | |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/ | 0400 | |
| prior years | • or – 2126 | |
| ** Amounts relating to s.57.10 election/ regulations for replacement re fed.s13(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 | <u> </u> | ± 2131 |
| • | | |
| Subtotal $\pm 2100 - 2110 + 2116 + 2129 - 2130 \pm 2131$ | | = 2132 -258,710 • |
| ** Share of partnership(s)/joint venture(s) adjusted net income/loss Adjusted net income (loss) (if loss, transfer to 2202 in <i>Part 2: Continuity of C</i> | | ± 2133 -258,710 -258,710 |
| | | = 2134 -258,710 • |
| Deduct: * CMT losses: pre-1994 Loss | | |
| * CMT losses: other eligible losses | + 2211 | 0405 |
| * CMT losses applied cannot exceed adjusted not income or increase a | | - 2135 · |
| CMT losses applied cannot exceed adjusted net income or increase a Retain calculations. Do not submit with this schedule. | 1033 | |

..... = 2136

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT) CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MO | F) Taxation Year End |
|---|--|----------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |
| Part 2: Continuity of CMT Losses Carried Forward | | |
| Balance at Beginning of year NOTES (1), (2) | + [2 | 248,224 |
| Add: Current year's losses Losses from predecessor corporations on amalgamation NOTE (3) Losses from predecessor corporations on wind-up NOTE (3) | | |
| Amalgamation (X) 2205 Yes Wind-up (X) 2206 Yes | | |
| Subtotal | = 258,710 → → + 2 | 258,710 |
| Adjustments (attach schedule) | ± [2 | 2208 |
| CMT losses available 2201 + 2207 ± 2208 | | 506,934 |
| Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) Losses expired during the year | + 2211 | |
| Subtotal | | 2213 |
| Balances at End of Year NOTE (5) 2209 - 2213 | | 506,934 |

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 occured, 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 $\boxed{2134}$ and CMT losses available $\boxed{2209}$.
- (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 | 2260 | 2280 |
| | 1996-12-31 | | |
| 2241 | 8th preceding taxation year | 2261 | 2281 |
| | 1997-12-31 | | |
| 2242 | 7th preceding taxation year | 2262 | 2282 |
| | 1998-12-31 | | |
| 2243 | 6th preceding taxation year | 2263 | 2283 |
| | 1999-12-31 | | |
| 2244 | 5th preceding taxation year | 2264 | 2284 |
| | 2000-12-31 | | |
| 2245 | 4th preceding taxation year | 2265 | 2285 |
| | 2001-12-31 | | |
| 2246 | 3rd preceding taxation year | 2266 | 2286 |
| | 2002-12-31 | | |
| 2247 | 2nd preceding taxation year | 2267 | 2287 |
| | 2003-12-31 | 6,264 | |
| 2248 | 1st preceding taxation year | 2268 | 2288 |
| | 2004-12-31 | 241,960 | |
| 2249 | Current taxation year | 2269 | 2289 |
| | 2005-12-31 | 258,710 | |
| Totals | | 2270 | 2290 |
| Totals | | 506,934 | |

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

Corporate Minimum Tax (CMT) CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---------------------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |
| Part 4: Continuity of CMT Credit Carryovers Balance at Beginning of year NOTE (1) Add: Current year's CMT Credit (280 on page 8 of the CT23 | + 230 | 1 |
| or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 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 | or[347] | |
| Subtotal (If negative, enter NIL)= Current year's CMT credit (If negative, enter NIL) 280 or 347 – 2305 | - 2305 + 231 | 0 |
| CMT Credit Carryovers from predecessor corporations NOTE (3) | | |
| Subtotal 2301 + 2310 + 2325 Adjustments (Attach schedule) | ± 233 | 2 |
| CMT Credit Carryover available 2330 ± 2332 | = 233 | 3 the CT23 or Page 6 of the CT8 |
| Subtotal | | 5 |
| Notes: (1) Where acquisition of control of the corporation has occurred, the utilization (2) The CMT credit of life insurance corporations can be restricted (see s.43.1 (3) Include and indicate whether CMT credits are a result of an amalgamation fed.s.88(1) applies. (see s.43.1(4)) | n of CMT credits can be restricted. (see s (3)(b)). | .43.1(5)) |

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

(4) Amount in 2336 must equal sum of 2370 + 2390.

| | Tarto. Analysis of our Great Carry overs fear End Balance by fear of ong | | | | | | |
|--------|--|---|--|--|--|--|--|
| | Year of Origin (oldest year first) year month day | CMT Credit Carryovers of Corporation | CMT Credit Carryovers of Predecessor Corporation(s) | | | | |
| 2340 | 9th preceding taxation year | 2360 | 2380 | | | | |
| | 1996-12-31 | | <u> </u> | | | | |
| 2341 | 8th preceding taxation year | 2361 | 2381 | | | | |
| | 1997-12-31 | | | | | | |
| 2342 | 7th preceding taxation year | 2362 | 2382 | | | | |
| | 1998-12-31 | | <u> </u> | | | | |
| 2343 | 6th preceding taxation year | 2363 | 2383 | | | | |
| | 1999-12-31 | | | | | | |
| 2344 | 5th preceding taxation year | 2364 | 2384 | | | | |
| | 2000-12-31 | | | | | | |
| 2345 | 4th preceding taxation year | 2365 | 2385 | | | | |
| | 2001-12-31 | | | | | | |
| 2346 | 3rd preceding taxation year | 2366 | 2386 | | | | |
| | 2002-12-31 | | | | | | |
| 2347 | 2nd preceding taxation year | 2367 | 2387 | | | | |
| | 2003-12-31 | | | | | | |
| 2348 | 1st preceding taxation year | 2368 | 2388 | | | | |
| | 2004-12-31 | - | <u> </u> | | | | |
| 2349 | Current taxation year | 2369 | 2389 | | | | |
| | 2005-12-31 | | <u> </u> | | | | |
| Totals | | 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 | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

CMT Losses Carried Forward Workchart

| ┌(i) Continuity of Pre-1994 CMT Losses ───── | | | |
|--|---------------|-----------------------------|---------|
| | Corporation's | Predecessors' Pre-1994 Loss | |
| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | Pre-1994 Loss | Amalgamation | Wind-Up |
| Pre-1994 Loss (per schedule) | | | |
| Less: Claimed in prior taxation years commencing after 1993 | | | |
| Pre-1994 Loss available for the current year | | <u> </u> | |
| Less: Deducted in the current year | | | |
| (max. = adj. net income for the year) | | | |
| Expired after 10 years | | | |
| Pre-1994 Loss Carryforward | | | |

| | | CMT Losses – Filir years commencing | | | | |
|-----------------|------------------------------|--|------------|-----------|---------|-----------------|
| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
| 10th Prior Year | 1995-12-31 | | | | | |
| 9th Prior Year | 1996-12-31 | | | | | |
| 8th Prior Year | 1997-12-31 | | | | | |
| 7th Prior Year | 1998-12-31 | | | | | |
| 6th Prior Year | 1999-12-31 | | | | | |
| 5th Prior Year | 2000-12-31 | | | | | |
| 4th Prior Year | 2001-12-31 | | | | | |
| 3rd Prior Year | 2002-12-31 | | | | | |
| 2nd Prior Year | 2003-12-31 | 6,264 | | | | 6,264 |
| 1st Prior Year | 2004-12-31 | 241,960 | | | | 241,960 |
| | Total | 248,224 | | | | 248,224 |

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.

| of the Filing Corporation. | | | | | | |
|----------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 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.

| or the rining con | poration. | | | | | |
|------------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

CMT Credit Carryovers Workchart

| ┌ Filing Corpora | tion ——— | | | | | |
|------------------|------------------------------|-----------------|------------|-----------|---------|-----------------|
| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
| 10th Prior Year | 1995-12-31 | | | | | |
| 9th Prior Year | 1996-12-31 | | | | | |
| 8th Prior Year | 1997-12-31 | | | | | |
| 7th Prior Year | 1998-12-31 | | | | | |
| 6th Prior Year | 1999-12-31 | | | | | |
| 5th Prior Year | 2000-12-31 | | | | | |
| 4th Prior Year | 2001-12-31 | | | | | |
| 3rd Prior Year | 2002-12-31 | | | | | |
| 2nd Prior Year | 2003-12-31 | | | | | |
| 1st Prior Year | 2004-12-31 | | | | | |
| | Total | | · | | · | |

Predecessor Corporations Only - Amalgamation -

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| or the rilling con | Joration. | | | | | |
|---------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | · | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

Predecessor Corporations Only - Wind-Up -

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |



| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

| Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end) | | |
|---|---|-----------|
| Term Loan | + | 5,882,000 |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
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| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| Total Transfer to 353 of the CT23 | = | 5 882 000 |

Non-Capital Loss Continuity Workchart – Ontario

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|------------------------------------|--|---------------------------------|---|----------------------------------|------------------------|
| Current | N/A | 344,575 | | | N/A | 344,575 |
| 2004 | 225,765 | N/A | | N/A | | 225,765 |
| 2003 | | N/A | | N/A | | |
| 2002 | | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | | N/A | | N/A | | |
| 1999 | | N/A | | N/A | | |
| 1998 | | N/A | | N/A | | |
| Total | 225,765 | 344,575 | | | | 570,340 |

| Farm loss | ses — | | | | | |
|-----------|------------------------------------|--|---------------------------------|---|----------------------------------|------------------------|
| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
| Current | N/A | | | | N/A | |
| 2004 | | N/A | | N/A | | |
| 2003 | | N/A | | N/A | | |
| 2002 | | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | | N/A | | N/A | | |
| 1999 | | N/A | | N/A | | |
| 1998 | | N/A | | N/A | | |
| 1997_ | | N/A | | N/A | | |
| 1996 | | N/A | | N/A | | |
| 1995_ | | N/A | | N/A | | |
| Total | | | | | | |

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|------------------------------------|--|---------------------------------|---|----------------------------------|---------------------------|
| Current | N/A | | | | N/A | |
| 2004 | | N/A | | N/A | | |
| 2003 | | N/A | | N/A | | |
| 2002 | | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | | N/A | | N/A | | |
| 1999 | | N/A | | N/A | | |
| 1998 | | N/A | | N/A | | |
| 1997 | | N/A | | N/A | | |
| 1996 | | N/A | | N/A | | |
| 1995 | | N/A | | N/A | | |

 $^{^{\}ast}\,\,$ This balance expires this year and will not be available next year.



Ontario Capital Cost Allowance Schedule 8

| Corporation's | • | | | | | | | On | tario Corporations | | (MOF) | | Year End |
|-----------------|--|---|--|---|---|---|---|------------|---|---------------|----------|---------------------------|---|
| Niagara W | lest Transforma | tion Corporation | n | | | | | | 1: | 800380 | | 2005- | 12-31 |
| Is the corpor | ration electing u | nder regulation | 1101(5q)? | 1 Yes | 2 X No | | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 1 | 2 | 13 |
| Class number | Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule) | Cost of acquisitions during the year (new property must be available for use) See note 1 below | Net adjustments (show negative amounts in brackets) | Proceeds of dispositions during the year (amount not to exceed the capital cost) | Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5) | 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below | Reduced undepreciated capital cost (column 6 minus column 7) | CCA rate % | Recapture of capital cost allowance | Terminal loss | column | owance mn 8 lied by | Ontario undepreciated capital cost at the end of the year (column 6 minus column 12) |
| 1 | 6,192,518 | | | 0 | 6,192,518 | | 6,192,518 | 4 | 0 | (|) | 247,701 | 5,944,817 |
| | | | | | | | | | | | | · | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Totals | 6,192,518 | | | | 6,192,518 | | 6,192,518 | | | | <u> </u> | 247,701 | 5,944,817 |
| | | | | | | | Ent | er in b | oxes 650 | 650 . | 65 | 50 on the | e 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 recapture and the Ontario terminal loss.



| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

This schedule is used to calculate Ontario Scientific Research and Experimental Development Expenditures (SR & ED). The rules used in the calculation of Ontario SR & ED follow the federal rules with the exception of the new Ontario measure introduced in the 2001 Ontario Budget and implemented in Bill 127 which received Royal Assent on December 5, 2001.

This schedule must be completed by all corporations performing qualified Ontario SR & ED in a "specified taxation year" or in the taxation year immediately preceding the first specified taxation year of the corporation and filed with the current CT23 or CT8. Other corporations may use this schedule, if they have claimed or are claiming a different SR & ED amount for Ontario than for federal income tax purposes.

- "Specified Taxation Year" (STY) is the taxation year of the corporation that begins after February 29, 2000 and ends after December 31, 2000.
- "Investment Tax Credit Amount" (ITC) means, in respect of a corporation for a taxation year, an amount deducted by the corporation for a preceding taxation year under subsection 127(5) or (6) of the *Income Tax Act* (Canada) (ITA).
- "Qualified Ontario SR & ED Expenditure" (QORD) means.
 - A. A qualified expenditure within the meaning of subsection 12(1) of the *Corporations Tax Act* (CTA) that is made or incurred by a corporation in a STY or in the taxation year immediately preceding the first STY of the corporation, or
 - B. An expenditure made or incurred by a partnership in a fiscal period that ends in a STY of a corporation if,
 - the corporation is member of the partnership at any time in the STY, and
 - the expenditure would be a qualified expenditure within the meaning of subsection 12(1) of the CTA if it were made by a corporation.
- "Ontario Allocation Factor" (OAF) has the meaning given to that expression by subsection 12(1) of the CTA.
- If a corporation includes a federal ITC amount in determining the amount of the Ontario pool of deductible SR & ED expenditures for a STY, the following amounts are adjusted by the OAF:
 - Amount of recaptured federal ITC relating to QORD for property disposed of in the preceding taxation year in
 442 on page 2.
 - Amount of federal ITC relating to QORD claimed federally in the preceding taxation year(s) in
 462 on page 2.
 - Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year in 465 on page 2.
- Federal ITCs earned on shared-use equipment (SUE) reduce the capital cost of the property acquired for federal and Ontario income tax purposes in the taxation year after the taxation year in which the ITC is claimed federally. The amount of the federal ITC that relates to QORD on SUE is added to the SR & ED pool for Ontario purposes in the taxation year after the taxation year in which the ITC is claimed federally.

Page 2 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|--|---|----------------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |
| Ontario Pool of Deductible SR & ED Expenditures for the current | <u>nt</u> taxation year | |
| Total allowable SR & ED expenditures (capital and current) (From line 400 federal T661 (T2 SCH32)) | + 400 | |
| Less: Government and non-government assistance (From line 430 federal T661 (T2 SCH32)) | - 430 | |
| | _ 435 | 124,748• |
| Sale of SR & ED capital assets and other deductions (From line 440 federal T661 (T2 SCH32)) | | |
| Amount of recaptured federal ITC (From line 453 federal T661 (T2 strelating to QORD for property disposed of in the preceding taxation | ** | |
| Gross-up for Ontario allocation factor From 442 | \div 100.0000 % = - 444 (From 30 of the CT23 or CT8) | |
| Subtotal: 400 - 430 - 435 - 440 - 444 | = 445 | -124,748 |
| Add: Repayments of government and non-government assistance (From line 445 federal T661 (T2 SCH32)) | + 446 | • |
| SR & ED expenditure pool transferred on amalgamation or wind-up (From line 452 federal T661 (T2 SCH32)) |) + 452 | 2 |
| Amount of federal ITC recaptured in the preceding taxation year (From line 453 federal T661 (T2 SCH32)) | + 453 | 3 |
| Preceding year's balance in pool of deductible Ontario SR & ED ex (From 480 of the preceding taxation year) | penditures | 1,476,831. |
| Federal ITC relating to QORD claimed federally in the preceding taxation year(s) | + 462 124,748 • (From 575 on Page 3) | |
| Amount of federal ITC relating to QORD allocated from partnership in the current taxation year | | |
| Subtotal 462 + 465 | = 468 124,748 • | |
| Gross-up for Ontario allocation factor From 468 124,7 | $\pm \frac{100.0000}{30}$ % = + $\pm \frac{470}{30}$ (From $\pm \frac{1}{30}$ of the CT23 or CT8) | 124,748 |
| Subtotal: 445 + 446 + 452 + 453 + 460 + 470 | ,, , | |
| (If the amount in $\boxed{473}$ is negative, enter zero, in $\boxed{475}$, $\boxed{477}$ and a or $\boxed{616}$ of the 2003 or later CT23 or CT8. If the amount in $\boxed{473}$ is | | 1,476,831 |
| Amount available for deduction | = 475 | 1,476,831. |
| Deduction claimed in the taxation year for Ontario (Enter the SR & ED expenditure pool deduction claimed in the taxation year | r in 679 of the CT23 or CT8) – 477 | 7 |
| Ontario current taxation year closing balance | = 480 | 1,476,831. |
| | | amount to 460 as the carry |

forward amount for the next taxation year.)

Page 3 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

Calculation of <u>Preceding</u> Taxation Year Amount and Account Balances - Federal ITC from SR & ED Expenditures relating to QORD.

- This page is used to calculate the amount of the federal ITC that relates to SR & ED performed in Ontario for certain taxation years and is used to increase the amount of the Ontario SR & ED pool on page 2.
- All amounts on this page are based on the preceding taxation year since the amount of the federal ITC that relates to QORD can only be used to increase the Ontario pool for SR & ED in the current taxation year if there was a federal ITC claimed for federal purposes in the preceding taxation year that related to QORD.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership. These amounts are added to your SR & ED pool for Ontario in the taxation year that they are allocated from a partnership to a corporation, not in the year after they are claimed federally.

| Opening Balance: | . [500] |
|---|---|
| (Enter amount 590 from Schedule 161 of the preceding taxation year, if any) | + 500 63,458 |
| Add: Amount of federal ITC earned, relating to QORD | 104.740 |
| (QORD portion of line 540 federal T2 SCH31 for the preceding taxation year) | + 510 124,748. |
| Amount of federal ITC earned, relating to QORD, transferred on amalgamation or wind-up | |
| (QORD portion of line 530 federal T2 SCH31 for the preceding taxation year) | + 520 |
| Subtotal: 500 + 510 + 520 | = 535 188,206. |
| Deduct: Amount of federal ITC, relating to QORD, claimed federally | |
| | + 540 |
| Amount of federal ITC, relating to QORD, carried back federally to a preceding taxation ye | ear(s) |
| (QORD portion of line P federal T2 SCH31 for the preceding taxation year | + 550 |
| A refund of federal ITC, relating to QORD, claimed federally | |
| (QORD portion of line 610 federal T2 SCH31 for the preceding taxation year) | + 560 124,748 |
| Amount of federal ITC, relating to QORD, deemed as a remittance of co-op corporations | |
| (QORD portion of line 510 federal T2 SCH31 for the preceding taxation year) | + 570 |
| 0.14441 [549] [559] [579] | 104.740 |
| Subtotal: 540 + 550 + 560 + 570 | |
| | (Transfer this amount to 462 on Page 2) |
| Deduct: Amount of federal ITC, relating to QORD, expired per the ITA after 10 taxation years | |
| (QORD portion of line 515 federal T2 SCH31 for the preceding taxation year) | 580 |
| Closing Balance: 535 - 575 - 580 | = 590 63,458 |
| | (Transfer this amount to 500 as the |
| | |

opening balance for the next taxation year.)

Page 4 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

Continuity Schedule for Federal ITC relating to SR & ED Expenditures for the Preceding Taxation Year

- All amounts on this page are based on the preceding taxation year.
- Amounts on this page should tie into Part 11 of federal T2 SCH31 completed for the preceding taxation year.

| Yr. of Origin (Oldest yr. first) yyyy mm dd | Opening Balance | Additions | Deductions (other than amounts that were allocated from a partnership) | Deductions (only amounts that were allocated from a partnership) | Closing Balance |
|---|-----------------|-----------|--|--|-----------------|
| 1994-12-31 | | | | | |
| 1995-12-31 | | | | | |
| 1996-12-31 | | | | | |
| 1997-12-31 | | | | | |
| 1998-12-31 | | | | | |
| 1999-12-31 | | | | | |
| 2000-12-31 | | | | | |
| 2001-12-31 | | | | | |
| 2002-12-31 | | | | | |
| 2003-12-31 | 63,458 | | | | 63,458 |
| 2004-12-31 | | 124,748 | 124,748 | | |
| Totals | 725 | 740 | 755 | 770 | 785 |
| (see note 1, 2 and 3) | 63,458 | 124,748 | 124,748 | | 63,458 |

Notes:

- 1. The amount in 725 should equal the amount of the investment tax credit at the end of the preceding taxation year less line 515 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
- 2. The amount in 785 should equal the closing balance in line 620 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
- 3. It is important that the amounts in the deductions columns on this page correctly reflect the year of origin of the federal ITC claimed because only amounts relating to QORD can be used to increase the Ontario SR & ED pool.

Page 5 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2005-12-31 |

Continuity Schedule for the Amount of Federal ITC from <u>SR & ED Expenditures</u> relating to QORD for the <u>Preceding</u> Taxation Year

- This page is required to record the amount of the ITC that relates to QORD by year of origin.
- All amounts on this page are based on the preceding taxation year.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership (see text at the top of page 3).

| Yr. of Origin (Oldest yr. first) yyyy mm dd | Opening Balance | Additions | Deductions | Closing Balance |
|---|-----------------|-----------|------------|-----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 2000-12-31 | | | | |
| 2001-12-31 | | | | |
| 2002-12-31 | | | | |
| 2003-12-31 | 63,458 | | | 63,458 |
| 2004-12-31 | | 124,748 | 124,748 | |
| Totals | 825 | 840 | 855 | 870 |
| (see note 1 - 6) | 63,458 | 124,748 | 124,748 | 63,458 |

Notes:

- 1. The amount in 825 should equal 500 on page 3.
- 2. The amount in 840 should equal the total of 510 and 520 on page 3.
- 3. The amount in 855 should equal 575 on page 3.
- 4. The amount in 870 should equal 590 on page 3.
- 5. Any deductions that are recorded in the deduction column on this page must be taken out of the same year of origin as indicated in the deduction column on page 4. These deductions must be related to QORD and must not have been allocated from a partnership.
- 6. The amount of federal ITC relating to QORD will expire if the federal ITC it relates to expires before it is claimed federally.

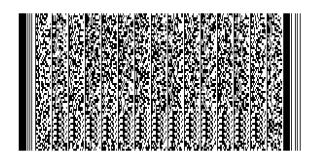
T2-RETURN AND SCHEDULE INFORMATION

Name: Niagara West Transformation Corporation

BN: 87681 9301 RC 0001 Taxation Year End: 2006-12-31

For agency use

[055]



| Name: | Niagara West Transforma | tion Corporation | | |
|-------------|-----------------------------|---------------------------|----------------|------------------------|
| BN: 87681 9 | 301 RC 0001 | Taxation Year End: 2006-1 | 12-31 | For agency use [055] |
| [001] | 87681 9301 RC 0001 | | | |
| [060] | 2006 01 01 | | | |
| [061] | 2006 12 31 | | В | |
| [099] | EP06 | | | |
| | XXXXXXXXXX | | | |
| [002] | Niagara West Transformation | a Corporation | | |
| [003] | 2 | | | |
| [004] | | | | |
| | XXXXXXXXXX | | | |
| [010]@ | 2 | | | |
| [011] | | | | |
| [012] | | | | |
| [015] | | | | For agency use |
| [016] | | | [091] | |
| [017] | | | [092] | l |
| [018] | | | [093] | l <u></u> |
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| [021] | | | | |
| [022] | | | | For agency use |
| [023] | | | [004] | |
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| [026] | | | | |
| [027] | | | | |
| [028] | | | [100] | |

| BN: 87681 9301 RC 0001 | Taxation Year End: 2006-12-31 | |
|------------------------|-------------------------------|--|
| | | |

| [030]@ | 2 | | | | |
|----------|------------|---------|---|---------|---|
| [031] | | | | | |
| [032] | | | | | |
| [035] | | | | | |
| [036] | | | | | |
| [037] | | | | | |
| [038] | | | | | |
| | XXXXXXXXXX | | | | |
| [040] | 1 | [166] | | [220] | |
| [043] | | [167] | | [221] | |
| [063] | 2 | [168] | | [226] | |
| [065] | | [169] | | [227] | |
| [067] | 2 | [170] | | [231] | |
| [070] | 2 | [171] | | [232] | |
| [071] | 2 | [172] | | [233] | |
| [072] | 2 | [173] | 1 | [236] | |
| [076] | 2 | [201] | 1 | [237] | |
| [078] | 2 | [202] | | [238] | |
| [080] | 1 | [203] | | [242] | |
| [081] | | [204] | 1 | [243] | |
| [082] | 2 | [205] | | [244] | - |
| [085] | | [206] | | [249] | |
| [150] | | [207] | | [250] | |
| [151] | | [208] | 1 | [253] | |
| [160] | | [210] | | [254] | |
| [161] | | [212] | | [255] | |
| [162] | | [213] | | [256] | - |
| [163] | | [216] | | | |
| [164] | | [217] | | | |
| [165] | | [218] | | | |

| BN: 87681 9301 RC 0001 | Taxation Year End: 2006-12-31 |
|------------------------|-------------------------------|
| | |

| [258] | | [284] | transmission of elec |
|---|------------------------------|---------|----------------------|
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| [260] | | [288] | |
| [261] | | [285] | 100 |
| [262] | | [287] | |
| [263] | | [289] | |
| [264] | | [950] | BUBISH |
| [291] | 2 | [951] | KAREN |
| [292] | 2 | [954] | OFFICER |
| [370] | | [955] | |
| [435] | | [956] | 905 563 5550 |
| [438] | | [957] | 1 |
| [624] | | [958] | |
| [646] | | [959] | |
| [750] | ON | | XXXXXXXXXX |
| [801] | | | |
| [894] | | | |
| | | | |
| [896] | 2 | | |
| [896] [898] | 2 | | |
| | 2 | | |
| [898] | 2 | | |
| [898] [910] | 2 | | |
| [898] [910] [914] | 2 | | |
| [898] [910] [914] [918] | | | |
| [898] [910] [914] [918] | 1 | | |
| [898] [910] [914] [918] | 1 | | |
| [898] [910] [914] [918] [990] | 1 XXXXXXXXXX | | |
| [898] [910] [914] [918] [990] | 1 XXXXXXXXXXX 2 | | |

Taxation Year End: 2006-12-31

Name: Niagara West Transformation Corporation

BN: 87681 9301 RC 0001

| # 157 321 | [440] | | [652] | |
|------------|---------|-------------|----------------|-------------|
| | [445] | | [700] | |
| | [450] | | | XXXXXXXXXXX |
| | [600] | | | |
| | [632] | | [704] | |
| | [636] | | [708] | |
| | [780] | | [716] | |
| | | XXXXXXXXXXX | [720] | |
| | | | [724] | |
| | [460] | | [727] | |
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| 300 000 | [620] | | [800] | |
| | [628] | | [804] | |
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| | [638] | | [812] | |
| | [639] | | [840] | |
| XXXXXXXXXX | [640] | | [890] | |
| | [644] | | | XXXXXXXXXXX |
| | [648] | | | |

BN: 87681 9301 RC 0001 Taxation Year End: 2006-12-31

| | Certification | |
|--------------|---|------------------------|
| | KAREN BUBISH am ar | n authorized signing |
| ficer of the | he corporation. I certify that the following amounts are, to the best of m | y knowledge, correct |
| d comple | ete, and fully disclose the corporation's income tax payable. These amou | nts also reflect the |
| formatio | n given on the corporation's income tax return for the taxation year noted | l above. |
| | ome (or loss) for income tax purposes Schedule 001, or GIFI [line 200300] | -157 32 |
| Part I ta | x payable [line 200700] | (|
| Part I.3 | tax payable [line 200704] | (|
| Part II s | urtax 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 | V tax payable [line 200728] | (|
| Net prov | vincial and territoral tax payable [line 200760] | (|
| Provinc | ial tax on large corporations [line 200765] | |
| | rtify that the method of calculating income for this taxation year is consicar except as specifically disclosed in a statement attached to this return. | stent with that of the |
| | | OFFICER |
| | | |

[117]

_____ [202]

| BN: 87681 9301 RC 0001 | | T | Taxation Year End: 2006 | -12-31 | |
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| [102] | # 17 000 | [119] | | [204] | |
| [103] | | [120] | | [205] | |
| [104] | 180 794 | [121] | | [206] | |
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| [113] | | [500] | 182 794 | [215] | |
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| [115] | | | | [217] | |
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| BN: 87681 930 | 01 RC 0001 | T | axation Year End: 200 | 06-12-31 | |
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| [220] | | [300] | | [401] | |
| [221] | | [301] | | [402] | |
| [222] | | [302] | | [403] | 237 793 |
| [223] | | [303] | | [404] | |
| [224] | | [304] | | [405] | |
| [225] | | [305] | | [406] | |
| [226] | | [306] | | [407] | |
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| [233] | | [313] | | [416] | |
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| [235] | | [315] | | [499] | |
| [236] | | [316] | | [510] | 237 793 |
| [237] | | [340] | | | XXXXXXXXXX |
| [238] | | [341] | | | |
| [290] | | [342] | | | |
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Taxation Year End: 2006-12-31

Name: Niagara West Transformation Corporation

BN: 87681 9301 RC 0001

| | [200] | | [402] | |
|------------|---------|------------|---------|-------------|
| | [205] | | [405] | |
| | [210] | | [410] | |
| | [220] | | [430] | |
| | [225] | | [440] | |
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| XXXXXXXXXX | [280] | | [941] | |
| | [951] | | [942] | |
| 570 340 | [952] | | [943] | |
| | [953] | | | XXXXXXXXXXX |
| 157 321 | | XXXXXXXXXX | | |
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| 727 661 | [330] | | [580] | |
| | [335] | | [961] | |
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| | [380] | | | XXXXXXXXXX |
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| XXXXXXXXXX | [923] | | | |
| | [931] | | | |
| | [932] | | | |
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| | [933] | | | |

| Name: | Niagara West Transformation Corporation | | | |
|-----------|---|------------------------------|--|--|
| BN: 87681 | 9301 RC 0001 | Taxation Year End: 2006-12-3 | | |
| [602] | 1 | * | | |
| [632] | 1 | * | | |
| [600] | 1 | * | | |
| [630] | 1 | * | | |
| [660] | 1 | * | | |

| Name: | Niagara West Transformation Corporation | | | |
|-----------|---|-------------------------------|--|--|
| BN: 87681 | 9301 RC 0001 | Taxation Year End: 2006-12-31 | | |
| [604] | 1 | * | | |
| [606] | 1 | * | | |
| [608] | 1 | * | | |
| [620] | 1 | * | | |
| [634] | 1 | * | | |
| [636] | 1 | * | | |
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| [650] | 1 | * | | |
| [662] | 1 | * | | |
| [664] | 1 | * | | |
| [670] | 1 | * | | |
| [675] | 1 | * | | |
| [680] | 1 | * | | |

BN: 87681 9301 RC 0001 Taxation Year End: 2006-12-31

[**101**] 2

[200] 1.1 *

[211] 1. ______*

[**212**] 1. 4 *

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[**201**] 1. 5 944 817 *

[203] 1. ______*

[205] 1. ______*

[**207**] 1. ______*

[213] 1. ______*

[215] 1. ______*

[**217**] 1. 237 793 *

[**220**] 1. 5 707 024 *

Taxation Year End: 2006-12-31

| BN: 87681 | 9301 RC 0001 | |
|-----------|--|-------------|
| [100] | Niagara Power Inc. Peninsula West Power | Inc. * |
| [200] | 1. 86880 5920 RC 0001 2. 89108 9419 RC 0001 | * |
| [300] | 1 2 | * |
| [350] | 1 2 | * |
| [400] | 1. 50 2. 50 ** | |
| [500] | 1 | . 10 |

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Name:

Niagara West Transformation Corporation

| Name: | Niagara West Transformation Corporation |
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| 1 3040 1 / 330 210 | [3640] | 7 556 210 |
|---------------------------|----------|-----------|
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| 355 089 |
|-----------|
| 133 862 |
| 4 770 |
| 1 592 |
| 495 313 |
| 7 060 897 |
| 7 060 897 |
| |

[**2599**] 7 556 210

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| [2600] | |
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| [2620] | 87 743 |
| [3139] | 87 743 |
| [3140] | 5 732 000 |
| [3240] | 397 000 |
| [3450] | 6 129 000 |
| [3499] | 6 216 743 |
| | |

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| [3500] | 100 |
|----------|-------------|
| [3520] | 2 400 000 |
| [3600] | # 1 060 633 |
| [3620] | 1 339 467 |

| | XXXXXXXXXX |
|----------|-------------|
| [3849] | # 1 060 633 |
| [3680] | # 102 322 |
| [3660] | # 958 311 |

| Name: | Niagara West Transf | ormation C | Corporation |
|-------------|---------------------|------------|-------------------------------|
| BN: 87681 9 | 301 RC 0001 | | Taxation Year End: 2006-12-31 |
| [0001] | | | |
| [0002] | | | |
| | XXXXXXXXXX | | |
| [0003] | | | |
| | XXXXXXXXXX | | |
| [8519] | 558 210 | [9368] | 673 592 |
| [9369] | # 100 322 | | XXXXXXXXXX |
| [9899] | | | |
| [9970] | # 100 322 | [9370] | |
| [9975] | | [9659] | 0 |
| [9976] | | | XXXXXXXXXX |
| [9980] | | | |
| [9985] | | [9660] | |
| [9990] | 19 000 | [9898] | 0 |
| [9995] | # 17 000 | | XXXXXXXXXX |
| [9999] | # 102 322 | | |
| | XXXXXXXXXX | | |
| [8000] | 558 210 | | |
| [8089] | 558 210 | | |
| [8090] | 15 060 | | |
| [8299] | 573 270 | | |
| | XXXXXXXXXX | | |
| [8300] | | | |
| [8670] | 180 794 | | |
| [8710] | 390 329 | | |
| [8871] | 102 469 | | |
| [9367] | 673 592 | | |

| Name: Niagara West Transformation Corp | poration |
|--|----------|
|--|----------|

BN: 87681 9301 RC 0001 Taxation Year End: 2006-12-31

[095] 1 [097] 2 [198] [099] 2 [101] 1 [102] 2 [103] 2 [104] 2 [105] [106] 2

2

[107]

[108]



- Identification -

Corporation's name

Canada Revenue

Agence du revenu dŭ Canada

Business Number (BN) **001** 87681 9301 RC0001

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 corporation 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. For more information on how to complete 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 tax 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 |
|---|----------------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| y of t? <mark>004</mark> 1 Yes | 2 No |
| return apply? | |
| Tax ye 061 2006-1 | |
| YYYY | |
| of control oplies | |
| 063 1 Yes | 2 No 🗶 |
| | MM DD |
| ional | |
| er of <mark>067</mark> 1 Yes | 2 No 🗶 |
| after: | |
| | 2 No X 2 No X |
| nd attach Schedule 24. | |
| a subsidiary | |
| current | 2 No X |
| ule 24. | |
| <mark>076</mark> 1 Yes | 2 No X |
| <mark>078</mark> 1 Yes | 2 No X |
| t of Canada? | |
| give the country of resider d complete and attach So | nce on line chedule 97. |
| tion claiming | |
| ome tax | 2 No X |
| | ∠ NO [^] |

| 002 Niagara West Transformation Corporation | |
|--|--|
| Has the corporation changed its name | If Yes, do you have a copy of |
| since the last time we were notified? 003 1 Yes 2 No X | the articles of amendment? 004 1 Yes 2 No |
| Address of head office Has this address changed since the last time we were notified? 2 No X (If Yes, complete lines 011 to 018) 011 4548 Ontario Street City Province, territory, or state | To which tax year does this return apply? Tax year start Tax year end 060 2006-01-01 YYYY MM DD Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? Tax year end 2006-12-31 YYYY MM DD Tax year end 2006-12-31 YYYY MM DD |
| O15BeamsvilleO16ONCountry (other than Canada)Postal code/Zip codeO17O18LOR 1B5 | If Yes, provide the date control was acquired |
| Mailing address (if different from head office address) Has this address changed since the last time we were notified? | Is the corporation a professional corporation that is a member of a partnership? |
| 021 c/o 022 023 City Province, territory, or state | Is this the first year of filing after: Incorporation? |
| 025 026 | Has there been a windup of a subsidiary |
| Country (other than Canada) Postal code/Zip code 027 Location of books and records | under section 88 during the current tax year? |
| Has the location of books and records changed since the last time we were notified? | Is this the final tax year before amalgamation? |
| 031 4548 Ontario Street 032 | Is this the final return up to dissolution? |
| City Province,territory, or state 035 Beamsville 036 ON Country (other than Canada) Postal code/Zip code 037 038 LOR 1B5 | Is the corporation a resident of Canada? 1 Yes X 2 No If No, give the country of residence on line 081 and complete and attach Schedule 97. |
| 1 X Canadian-controlled private corporation (CCPC) Other private Other private Other private | Is the non-resident corporation claiming an exemption under an income tax treaty? |
| 2 corporation 5 (specify, below) 3 corporation 5 (specify, below) | 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 (I) |
| If the type of corporation changed during the tax year, provide the effective date of the change | 2 Exempt under paragraph 149(1)(j) 3 Exempt under paragraph 149(1)(t) 4 Exempt under other paragraphs of section 149 |
| Do not use the | |
| 091 092 093 09 100 | 095 096 |
| | Canada |

| 2006-12-31 | Niagara West Transformation 87681 9 | n Corporation 1301 RC000 |
|---|--|-----------------------------|
| ┌ 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. | | |
| | Ye | s Schedule |
| Is the corporation related to any other corporations? | 150 | 9 |
| Is the corporation an associated Canadian-controlled private corporation? | | 23 |
| Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? | | 49 |
| Does the corporation have any non-resident shareholders? | | 19 |
| 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 . | | 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? | | 44 |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 | 14 |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 | 15 |
| Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? | 166 | T5004 |
| Is the corporation a member of a partnership for which a partnership identification number has been assigned? | 167 | T5013 |
| Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? | | 22 |
| Did the corporation have any foreign affiliates during the year? | 169 | 25 |
| Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ? | | 29 |
| Has the corporation had any non-arm's length transactions with a non-resident? | 171 | T106 |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares? | 173 X | 50 |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the yea | ar? 172 | Ī |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? | | 1 |
| Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological pr | roperty? 202 | 2 |
| Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? | 203 | 3 |
| Is the corporation claiming any type of losses? | 204 X | 4 |
| Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisd | diction? 205 | 5 |
| Has the corporation realized any capital gains or incurred any capital losses during the tax year? | 206 | 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? | 207 | 7 |
| Does the corporation have any property that is eligible for capital cost allowance? | 208 X | 8 |
| Does the corporation have any property that is eligible capital property? | 210 | 10 |
| Does the corporation have any resource-related deductions? | | 12 |
| Is the corporation claiming reserves of any kind? | 213 | 13 |
| Is the corporation claiming a patronage dividend deduction? | | 16 |
| Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? | 217 | 17 |
| Is the corporation an investment corporation or a mutual fund corporation? | | 18 |
| Was the corporation carrying on business in Canada as a non-resident corporation? | 201 | 20 |
| | | 21 |
| Is the corporation a non-resident-owned investment corporation claiming an allowable refund? | | 26* |
| Does the corporation have any Canadian manufacturing and processing profits? | | 27 |
| Is the corporation claiming an investment tax credit? | | 31 |
| | | T661 |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? | | 33/34/35 |
| Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax? | | 36 |
| Is the corporation claiming a surtax credit? | | 37 |
| Is the corporation subject to gross Part VI tax on capital of financial institutions? | | 38 |
| Is the corporation claiming a Part I tax credit? | 2.40 | 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? | 0.44 | 43 |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | | 45 |
| Is the corporation subject to Part II - Tobacco Manufacturers' surtax? | 249 | 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? | 250 | 39 |

Is the corporation subject to Part XIII.1 tax?

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

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

255

* We do not print this schedule.

T1131

T1177

92 *

| Attachments – continued from page 2 |
|--|
| Yes Schedule |
| Did the corporation have any foreign affiliates that are not controlled foreign affiliates? |
| Did the corporation have any controlled foreign affiliates? |
| Did the corporation own specified foreign property in the year with a cost amount over \$100,000? |
| Did the corporation transfer or loan property to a non-resident trust? |
| Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? |
| Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? |
| Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect |
| of SR&ED contracts? |
| Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? T1174 |
| Additional information |
| Is the corporation inactive? |
| Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) 281 1 Yes 2 No X |
| What is the corporation's major business activity? 282 |
| |
| 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 286 transmission of elec 287 |
| approximate percentage of the total revenue that each product or service represents. |
| Did the corporation immigrate to Canada during the tax year? Did the corporation emigrate from Canada during the tax year? 291 1 Yes 2 No X 2 No X |
| ┌ Taxable income |
| |
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI |
| Deduct: Charitable donations from Schedule 2 |
| Gifts to Canada, a province, or a territory from Schedule 2 |
| Cultural gifts from Schedule 2 |
| Ecological gifts from Schedule 2 |
| |
| |
| Taxable dividends deductible under section 112 or 113, or |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction from Schedule 43 * Non-capital losses of preceding tax years from Schedule 4 Net capital losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Farm losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union 320 320 321 322 333 434 537 538 539 530 530 531 532 533 533 534 535 536 537 538 539 530 530 530 531 532 533 533 534 535 536 537 538 538 539 530 530 530 530 530 530 530 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction from Schedule 43 * Non-capital losses of preceding tax years from Schedule 4 Net capital losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Farm losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares 320 320 321 322 333 334 435 536 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction from Schedule 43 * Non-capital losses of preceding tax years from Schedule 4 Net capital losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Farm losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares 320 320 321 322 333 334 435 536 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction from Schedule 43 * Non-capital losses of preceding tax years from Schedule 4 Net capital losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal M B Subtotal (amount Aminus amount B) (if negative, enter "0") |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction from Schedule 43 * Non-capital losses of preceding tax years from Schedule 4 Net capital losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Farm losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal Subtotal Section 110.5 additions or subparagraph 115(1)(a)(vii) additions Taxable income (amount C plus amount D) Taxable income (amount C plus amount D) |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction from Schedule 43 * Non-capital losses of preceding tax years from Schedule 4 Net capital losses of preceding tax years from Schedule 4 Restricted farm losses of preceding tax years from Schedule 4 Farm losses of preceding tax years from Schedule 4 Limited partnership losses of preceding tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal Subtotal B Subtotal (amount Aminus amount B) (if negative, enter "0") C Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions Taxable income (amount C plus amount D) |

| - Small business de | duction ——— | | | | | | |
|--|--|--|--------------------|----------------|-------------------------------|----------------|------------|
| Canadian-controlled | private corporatio | ns (CCPCs) throughout the | tax year | | | | |
| Income from active bus | siness carried on in | Canada from Schedule 7 | | | 400 | | Α |
| | | 3 of the amount on line 632*, | | | n | | |
| | • | ecause of federal law, is exe | mpt form Part I ta | ax | 405 | | В |
| Calculation of the bus | | | | | | | |
| For all CCPCs, calcula | | | | | | | |
| 250,000 x | | in the tax year in 2004 | = | | 1 | | |
| | Number of d | ays in the tax year | 365 | | | | |
| 300,000 x1 | Number of days in the | tax year in 2005 and in 2006 | 365 = | | 300,000 2 | | |
| | Number of d | ays in the tax year | 365 | | | | |
| 400,000 × | Number of days ir | the tax year after 2006 | = | | 3 | | |
| | Number of d | ays in the tax year | 365 | | | | |
| | | Add amounts a | at lines 1, 2, and | 3 | 300,000 4 | | |
| Business limit (see not | es 1 and 2 below) | | | - | | 300,000 | С |
| For associate Business limit reduct Amount C | ion: | 15 *** | | | | | E |
| Reduced business limit | t (amount C minus | amount E) (if negative, ente | r "0") | | 425 | 300,000 | F |
| Small business deduc | • | - ae a = , (e gae, ee | . • , | | _ | | |
| Whichever amount is the | | F | | | | (| G1 |
| | x | Number of days in the tax yea | | 365 | _ | | G2 |
| Amount G1 | ^_ | Number of days in the tax yea | | 365 | ^ 10.00 /6 - _ | | <i>J</i> 2 |
| | v | • | • | | v 1/ 50 0/ - | | G3 |
| Amount G1 | ^ | Number of days in the tax y Number of days in the t | | | × 16.50 % = _ | (| JJ |
| | | • | • | 365 | | | |
| Amount G1 | x | Number of days in the tax ye | | | × 17.00 % = _ | | G4 |
| | | Number of days in the t | ax year | 365 | | | |
| Small business deduc | ction – total of amo | ounts G2, G3, and G4 . | | | <mark>430</mark> ₌ | | G |
| CCPC's investment inc | of foreign non-business come (line 604) and wit | s income tax credit deductible on lin hout reference to the corporate tax ome tax credit deductible on line 63 | reductions under s | ection 123.4. | | section 123.4. | |
| *** Large corporations | | | | | | | |
| • The amount to be a | ntered at line 415 is the | total tayahla canital amployed in t | Canada minus ¢10 | 000 000 v 0 22 | 5% calculated on Sch | iedule 33 | |

- The amount to be entered at line 415 is the total taxable capital employed in Canada minus \$10,000,000 x 0.225%, calculated on Schedule 33, Part I.3 Tax On Large Corporations, Schedule 34, Part I.3 Tax On Financial Institutions or Schedule 35, Part I.3 Tax On Large Insurance Companies.
- If the corporation is not associated with any corporations in both the current and the preceding tax years, use the applicable schedule for the **prior** year. (Amount **P** in Part 6 of Schedule 33; Amount **O** in Part 6 of Schedule 34; Amount **DD** in Part 6 of Schedule 35)
- If the corporation is not associated with any corporations in the current tax year, but was associated in the preceding tax year, use the applicable schedule for the **current** year.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

| | ted tax reduction — | | the second secon | -4 -1-1 | | | | | | |
|-------------|---|-------------|--|-----------------|---------|--------|--------------------------|------------|---------------|----------------|
| | - · | - | s throughout the taxation year the | | | | siness c 0,000 | deductio | | |
| Reduced bu | usiness limit (amount fr | rom line 4 | 25) | 300,000 | x — | | above | =_ | 300,000 | ₌ A |
| Taxable inc | | nus 3 time | ne 400) *s the amount at line 636** on, leral law, is exempt from Part I Tax | | | | | = | | ₌ B |
| Deduct: | | | l' 440) | | | | | _ | | |
| | nvestment income (am ninus amount D (if neg | | · · · · · · · · · · · · · · · · · · · | | | | | . D | | _ E |
| | B, or E above, whichev | | | | | | | | | _ F |
| | rom Part 9 of Schedule | | x 1 | | | | | _ G | | |
| | from Part 13 of Scheo cource income (amount | | 435) | - | | | | - H - I | | |
| | • | | eduction (amount E in Part 3 of Sch | - | | | | - ' J | | |
| | | | small business deduction, whichev | · - | | | | K | | |
| | ounts G, H, I, J, and K | | | - | | | | - | | _ L |
| | | | er "0") | | | | | | | ₌ M |
| | | | mount M (enter amount N on line 6 | = | | | | | | ₌ N |
| | | | e, members of partnerships need to use S | | | | | | | |
| | | ness incom | e tax credit deductible at line 636 without r | eterence to the | corpora | te tax | reduction | s unaer se | ection 123.4. | |
| | e deduction ——— | | | | | | | | | |
| Taxable res | ource income [as defin | ned in sub | section 125.11(1)] | | | | | 435 | | ₌ A |
| Amount A | | . x | Number of days in the tax year in 200 | 14 | | X | 2 % = | | | _ B |
| | | | Number of days in the tax year | | 365 | | | | | |
| Amount A | | × | Number of days in the tax year in 200 | 5 | | X | 3 % = | | | _ C |
| | | | Number of days in the tax year | | 365 | | | | | _ |
| Amount A | | × | Number of days in the tax year in 200 | 6 | 365 | X | 5 % = | _ | | _ D |
| | | v | Number of days in the tax year | | 365 | v | 7.0/ | | | _ |
| Amount A | | × | Number of days in the tax year after 20 Number of days in the tax year | 006 | 365 | X | 7 % = | _ | | - ⊏ |
| Posourco o | Aduction total of an | nounte B | C, D, and E (enter amount F on line 10) | | | | | 438 | | _ |
| ivesource c | reduction – total of all | Tourits D, | C, D, and E (enter amount Formine 10) | | | | | | | = ' |
| | | | controlled private corporation | ıs | | | | | | |
| | • | porations | s throughout the tax year | | | | | | | |
| | ome from line 360 | | | | | | | • • • • — | | _ A |
| | from Part 9 of Schedul | | | - | | | | _ B | | |
| | from Part 13 of Scheo cource income from line | | ve | - | | | | D | | |
| | | | eduction (amount E in Part 3 of Sch | | | | | | | |
| | line 400, 405, 410, or 4 | | | | | | | _ | | |
| | nvestment income fron | | | | | | | _ | | |
| | | | · · · · · · · · · · · · · · · · · · · | | | | | H | | |
| Total of am | ounts B, C, D, E, F, G, | and H | | | | | | . ▶ _ | | _ |
| Amount A n | ninus amount I (if nega | ative, ente | er "0") | | | | | · · · · = | | _ J |
| Amount J | | х | Number of days in the tax year before 2 | 008 | 365 | х | 7 % | = | | _K1 |
| | | | Number of days in the tax year | | 365 | | | | | |
| Amount J | | х | Number of days in the tax year in 200 | 8 | | х | 7.5 % | = | | _K2 |
| | | | Number of days in the tax year | | 365 | | | | | |
| Amount J | | x | Number of days in the tax year in 200 | 9 | | X | 8 % | = _ | | _K3 |
| | | | Number of days in the tax year | | 365 | | | | | |
| Amount J | - | × | Number of days in the tax year after 20 | 009 | | X | 9 % | = _ | | _K4 |
| | | | Number of days in the tax year | | 365 | | | | | |
| | k reduction for Canad t K on line 638) | lian-conti | rolled private corporations – total | of amounts I | <1, K2, | K3, | and K4 | _ | | ₌ K |

| Corporation corporation | n, or a mutual fund | corporati | ntrolled private corpo on; and for tax years s 38% (eg. deposit insu | starting after May 1, | | | | |
|-------------------------------------|---|------------------|--|--------------------------------------|-------------|----------|----------------------|----|
| Taxable inc | ome from line 360 | | | | | | | L |
| Amount Z1 | from Part 9 of Scheo | dule 27 | | | | | Μ | |
| Amount QQ | from Part 13 of Sch | nedule 27 | | | | | _ N | |
| | ource income from li | | | | | | _ 0 | |
| | ed to calculate the cr ounts M, N, O, and F | | deduction (amount E in | | | | - ^P | Q |
| | | | | | | | – – | |
| Amount L n | ninus amount Q (if n | iegative, ei | nter "0") | | | | ····- | R |
| Amount R | | x | Number of days in the t | | 365 | x 7 % | = | S1 |
| | | | Number of days i | n the tax year | 365 | | | |
| Amount R | | x | Number of days in the | | | x 7.5 % | = | S2 |
| | | | Number of days i | - | 365 | | | |
| Amount R | | x | Number of days in the | | | x 8% | = | S3 |
| | | | Number of days i | , | 365 | | | |
| Amount R | | x | Number of days in the | | | x 9% | · = | S4 |
| | | | Number of days i | n the tax year | 365 | | | |
| General tax | k reduction – total o | f amounts | S1, S2, S3, and S4 (er | nter amount S on line | 639) . | | · · · · · <u></u> | S |
| Deduct: Foreign inve | n-business income ta estment income rom Part 2 of Sched | 4 | om line 632 | _ × 9 1 / 3 % (if negative, enter | | | _ _ > | B |
| Amount A n | ninus amount B (if n | egative, ei | nter "0") | | | | ···· <u> </u> | C |
| Deduct: Amount of whichever | | | | | | | _ | |
| Foreign r income to from line | | | x 25 / 9 = | | | | | |
| Foreign be income to from line | ax credit | | x 3 = | | > | | | |
| | | | | | | | - - | |
| | | | | | Х | 26 2 / 3 | | D |
| | orporate surtax from | line 600 | | | | | | |
| Net amount | | | | | | | - ▶ | E |
| Refundable | e portion of Part I ta | ax – Amou | nt C, D, or E, whicheve | r is the least | | | 450 | F |

| Refundable dividend tax on hand | |
|---|---------|
| Refundable dividend tax on hand at the end of the preceding tax year | |
| > | 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 | |
| | н |
| | '' |
| Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H 485 | ''' |
| Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H | ''' |
| | |
| Dividend refund | '' ı |
| Dividend refund Private and subject corporations at the time taxable dividends were paid in the tax year | |

| Part I tax — | | |
|--|------------------|---|
| Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) | <mark>550</mark> | A |
| Corporate surtax calculation | | |
| Base amount from line A above | 1 | |
| Deduct: | | |
| 10 % of taxable income (line 360 or amount Z, whichever applies) | 2 | |
| Investment corporation deduction from line 620 below | | |
| Federal logging tax credit from line 640 below | | |
| Federal qualifying environmental trust tax credit from line 648 below | 5 | |
| For a mutual fund corporation or an investment corporation throughout the | | |
| tax year, enter amount a, b, or c below on line 6, whichever is the least: | | |
| 28.00 % of taxable income from line 360 a | | |
| 28.00 % of taxed capital gains b — | 6 | |
| Part I tax otherwise payable c | | |
| (line A plus lines C and D minus line F) | | |
| Total of lines 2 to 6 | 7 | |
| Net amount (line 1 minus line 7) | Ω | |
| | ⁰ | |
| Corporate surtax | 5 = 600 | В |
| line 8 X 4 % X Number of days in the tax year before 2008 36 Number of days in the tax year 36 | | В |
| , , | | _ |
| Recapture of investment tax credit from line OO in Part 17 of Schedule 31 | 602 | C |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investm | nent income | |
| (if it was a CCPC throughout the tax year) | | |
| Aggregate investment income from line 440 | i | |
| Taxable income from line 360 | | |
| Deduct: | | |
| Amount on line 400, 405, 410, or 425, | | |
| whichever is the least | :: | |
| Net amount ► | " | |
| Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii | 604 | D |
| Outstate / and the an A. D. | O === 4 D) | _ |
| Subtotal (add lines A, B | , С, and D) | E |
| Deduct: | | |
| Small business deduction from line 430 | 9 | |
| Federal tax abatement | | |
| Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 | | |
| Investment corporation deduction | | |
| (taxed capital gains 624) | | |
| Additional deduction – credit unions from Schedule 17 | | |
| Federal foreign non-business income tax credit from Schedule 21 632 | | |
| Federal foreign business income tax credit from Schedule 21 636 | | |
| Accelerated tax reduction from amount N | | |
| Resource deduction from line 438 | 10 | |
| General tax reduction for CCPCs from amount K | | |
| General tax reduction from amount S | | |
| Federal logging tax credit from Schedule 21 | | |
| Federal political contribution tax credit | | |
| Federal political contributions 646 Federal qualifying environmental trust tax credit | | |
| Federal qualifying environmental trust tax credit | | |
| Subtotal | _ | F |
| | | |
| Part I tax payable – Line E minus line F (enter amount G on line 700) | | G |

| ┌ Summary of tax and credits ───── | |
|--|--|
| Federal tax | |
| Part I tax payable | |
| Part I.3 tax payable from Schedule 33, 34, or 35 | |
| Part II surtax payable from Schedule 46 | |
| | |
| | 716 |
| | 720 |
| | 724 |
| | 727 |
| | 728 |
| Tart XIV tax payable from Gorieddie 20 | Total fadaval tax |
| Add provincial or territorial tax: | Total lederal tax |
| Provincial or territorial jurisdiction 750 Ontario | |
| (if more than one jurisdiction, enter "multiple" and complete Sche | dule 5) |
| Net provincial or territorial tax payable (except Québec, Ontario, and | |
| Provincial tax on large corporations (New Brunswick and Nova Scoti | |
| Trovincial tax of large corporations (non Brahomox and Nova Cook | <u> </u> |
| | Total tax payable 770 A |
| Deduct other credits: | Total tax payable and |
| Investment tax credit refund from Schedule 31 | |
| Dividend refund | 784 |
| Federal capital gains refund from Schedule 18 | |
| | 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 | |
| Total payments on which tax has been withheld 801 | |
| Allowable refund for non-resident-owned investment corporations from Schedule | 26 804 |
| | |
| | 812 |
| | |
| Tax instalments paid | Total credits 890 b |
| Refund code 894 Overpayment | Balance (line Aminus line B) |
| Direct deposit request | |
| To have the corporation's refund deposited directly into the corporation | If the result is negative, you have an overpayment . If the result is positive, you have a balance unpaid . |
| bank account at a financial institution in Canada, or to change bankin | |
| information you already gave us, complete the information below: | Generally, we do not charge or refund a difference |
| Start Change information 910 | of \$2 or less. |
| Branch number | Balance unpaid |
| 914 918 | |
| Institution number Account number | Enclosed payment 898 |
| If the corporation is a Canadian-controlled private corporation througho | |
| does it qualify for the one-month extension of the date the balance of ta | x is due? |
| ┌ Certification ———————————————————————————————————— | |
| | oet offices |
| I, 950 BUBISH 951 KAREN | 954 OFFICER |
| Last name Fir am an authorized signing officer of the corporation. I certify that I have examined this | rst name Position, office, or rank |
| the information given on this return is, to the best of my knowledge, correct and com | |
| tax year is consistent with that of the previous year except as specifically disclosed in | , |
| 955 | 956 (905) 563-5550 |
| Date (yyyy/mm/dd) Signature of the authorized signing o | |
| Is the contact person the same as the authorized signing officer? If No, complete the | e information below |
| 958 | 959 |
| Name | Telephone number |
| | · · · · · · · · · · · · · · · · · · · |
| Language of correspondence – Langue de correspondance | |
| 990 Indicate your language of correspondence by entering 1 for English or 2 fo | r French. 1 English / Anglais X 2 Français / French |
| Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 | pour nançais. |



Canada Revenue Agency

Agence du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

| | | Form identifier 100 |
|---|-------------------|--------------------------------|
| Name of corporation | Business Number | Tax year end Year Month Day |
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2006-12-31 |

Ralance sheet information

| Account | Description | GIFI | Amount | Prior year |
|------------|---|--------|----------------------------------|-----------------------------------|
| - Assets - | | | | |
| | _ Total current assets | 1599 + | 495,313 | 603,897 |
| | Total tangible capital assets | 2008 + | 7,060,897 | 7,241,691 |
| | Total accumulated amortization of tangible capital assets | 2009 – | | |
| | _ Total intangible capital assets | 2178 + | | |
| | _ Total accumulated amortization of intangible capital assets | 2179 – | | |
| | _ Total long-term assets | 2589 + | | |
| | _* Assets held in trust | 2590 + | | |
| | _ Total assets (mandatory field) | 2599 = | 7,556,210 | 7,845,588 |
| | _ Total current liabilities _ Total long-term liabilities _ * Subordinated debt _ * Amounts held in trust _ Total liabilities (mandatory field) | 3139 + | 87,743 6,129,000 6,216,743 | 107,799 6,296,000 6,403,799 |
| - Shareho | Ider equity— | | | |
| | Total shareholder equity (mandatory field) | 3620 + | 1,339,467 | 1,441,789 |
| | Total liabilities and shareholder equity | 3640 = | 7,556,210 | 7,845,588 |
| - Retained | l earnings — | | | |
| | | | | |

^{*} Generic item

Current Assets

| | | | | Form identifier 159 |
|----------|---|--|---------|---------------------|
| Account | Description | GIFI | Amount | Prior year |
| Cash an | d deposits | | | |
| | *Cash and deposits | 1000 | 355,089 | 26,534 |
| | Cash | 1001 | | |
| | Deposits in Canadian banks and institutions – Canadian currency | 1002 | | |
| | Deposits in Canadian banks and institutions – foreign currency | 1003 | | |
| | Deposits in foreign banks – Canadian currency | 1004 | | |
| | Deposits in foreign banks – foreign currency | 1005 | | |
| | Credit union central deposits | 1006 | | |
| | Other cash like instruments | 1007 | | |
| | Cash and deposits | + | 355,089 | 26,53 |
| | | | | |
| Account | s receivable ———————————————————————————————————— | | | |
| | _ * Accounts receivable | 1060 | 133,862 | 88,27 |
| | _ Trade accounts receivable | 1062 | | |
| | _ Trade accounts receivable from related parties | 1064 | | |
| | Taxes receivable | 1066 | 4,770 | 486,55 |
| | Interest receivable | 1067 | | |
| | Holdbacks receivable | 1068 | | |
| | Leases receivable | 1069 | | |
| | Accounts receivable from employees | 1071 | | |
| | Amounts receivable from members of NPOs | 1073 | | |
| | Accounts receivable | + _ | 138,632 | 574,83 |
| | * Allowance for doubtful accounts Allowance for doubtful trade accounts receivable Allowance for doubtful trade accounts receivable from related parties Allowance for doubtful amounts contained in leases receivable Allowance for doubtful accounts receivable from employees Allowance for doubtful accounts | 1061 1063 1065 1070 1072 | | |
| Inventor | ies ———— | | | |
| | _* Inventories | 1120 | | |
| | _ Inventory of goods for sale | 1121 | | |
| | _ Inventory parts and supplies | 1122 | | |
| | _ Inventory properties | 1123 | | |
| | _ Inventory of aggregates | 1124 | | |
| | _ Work in progress | 1125 | | |
| | | 1126 | | |
| | _ Raw materials | | | |
| | Inventory of securities | 1127 | | |
| | | 1127 - | | |
| Short-te | Inventory of securities | 1127 + = | | |
| Short-te | Inventory of securities | += | | |
| Short-te | Inventory of securities Inventories rm investments * Short-term investments | 1127 + = | | |
| Short-te | Inventory of securities Inventories rm investments* Short-term investments Canadian term deposits | + <u>_</u> 1180 1181 | | |
| Short-te | Inventory of securities Inventories rm investments* Short-term investments Canadian term deposits Canadian shares | 1180 | | |
| Short-te | Inventory of securities Inventories rm investments _ * Short-term investments _ Canadian term deposits _ Canadian shares _ Canadian bonds | 1180 1181 1182 1183 | | |
| Short-te | Inventory of securities Inventories rm investments* Short-term investments Canadian term deposits Canadian shares Canadian bonds Canadian treasury bills | + = 1180 1181 1182 1183 1184 | | |
| Short-te | Inventory of securities Inventories rm investments _ * Short-term investments _ Canadian term deposits _ Canadian shares _ Canadian bonds _ Canadian treasury bills _ Securities purchased under resale agreements | + | | |
| Short-te | Inventory of securities Inventories rm investments _ * Short-term investments _ Canadian term deposits _ Canadian shares _ Canadian bonds _ Canadian treasury bills _ Securities purchased under resale agreements _ Other short-term Canadian investments | + = 1180 1181 1182 1183 1184 1185 1186 | | |
| Short-te | Inventory of securities Inventories rm investments _ * Short-term investments _ Canadian term deposits _ Canadian shares _ Canadian bonds _ Canadian treasury bills _ Securities purchased under resale agreements | + | | |

| Loans and notes receivable ———————————————————————————————————— | | |
|---|---------|---------|
| * Loans and notes receivable 1240 | | |
| Demand loans receivable 1241 | | |
| Other loans receivable 1242 | | |
| Notes receivable | | |
| Mortgages receivable 1244 | | |
| Loans and notes receivable + | | |
| Due from shareholder(s)/director(s) | | |
| * Due from shareholder(s)/director(s) | | |
| Due from individual shareholder(s) | | |
| Due from corporate shareholder(s) | | |
| Due from director(s) | | |
| Due from shareholder(s)/director(s) + | | |
| | | |
| * Investment in joint venture(s)/partnership(s) | | |
| * Due from joint venture(s)/partnership(s) | | |
| | | |
| Due from/investment in related parties | | |
| * Due from/investment in related parties | | |
| Demand notes from related parties | | |
| Interest receivable from related parties | | |
| Loans/advances due from related parties | | |
| Due from/investment in related parties + | | |
| * Customers' liability under acceptances | | |
| | | |
| Other current assets | | |
| * Other current assets | | |
| Future (deferred) income taxes | | |
| Accrued investment income | | |
| Taxes recoverable/refundable | | |
| Prepaid expenses | 1,592 | 2,533 |
| Drilling advances | | |
| Security/tender deposits | | |
| Other current assets + | 1,592 | 2,533 |
| | | |
| Total current assets 1599 = | 495,313 | 603,897 |

^{*} Generic item

Tangible Capital Assets and Accumulated Amortization

| Buildings * Accurate and properties and propert | scription | GIFI | Tangible capital assets | Accumulated amortization | Form identifier 2008/20 Prior year |
|--|--|--------|-------------------------|--------------------------|-------------------------------------|
| * Land ir Accu Depletable asset: * Depletable Asset: * Accu Petrole Accu natural Mining Accu Explora Quarrie Accu Gravel Accu Timber Accu Shalldings * Buildin Accu Buildings * Buildin Accu Timber Accu Timber Accu Constr Accu Constr Accu and ex Foresti Accu and ex Foresti Accu | | | • | | |
| Buildings * Buildings * Buildings * Machinery, equip * Machinery, equip * Accu and pro Buildings * Buildin | d | 1600 + | | | |
| Pepletable asset: * Depletable Asset: * Accu Petrole Accu Inatural Mining Accu Explora Quarrie Accu Gravel Accu Timber Accu Suildings * Buildin *Accu Manufa Accu and pro Buildin Machinery, equip Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu and ex Foresti Accu | d improvements | 1601 + | | | |
| * Deplete *Accu Petrole Accu Accu Nining Accu Deferre Accu Explora Accu Gravel Accu Timber Accu Manufa Accu Manufa Accu Accu Timber Accu Accu Timber Accu Acc | ccumulated amortization of land improvements | 1602 | _ | | _ |
| * Deplete *Accu Petrole Accu Accu Nining Accu Deferre Accu Explora Accu Gravel Accu Timber Accu Manufa Accu Manufa Accu Accu Timber Accu Accu Timber Accu Acc | Total | I | | | = |
| * Deplete *Accu Petrole Accu Accu Nining Accu Deferre Accu Explora Accu Gravel Accu Timber Accu Manufa Accu Manufa Accu Accu Timber Accu Accu Timber Accu Acc | sets - | | | | |
| *Accu Petrole Accu natural Mining Accu Deferre Accu explora Quarrie Accu Gravel Accu Timber Accu Suildings * Buildin *Accu and pre Buildin Machinery, equip Accu and pre Constr Accu Constr Accu and ex Foresti Accu | oletable assets | 1620 + | | | |
| Petrole Accu natural Mining Accu Deferre Accu explora Quarrie Accu Gravel Accu Timber Accu Suildings * Buildin *Accu and pre Buildin Machinery, equip * Machir *Accu and pre Buildin Accu and pre Buildin Accu and pre Constr Accu Accu Accu Tools a Accu Accu Accu Accu Accu Accu Accu Acc | Accumulated amortization of depletable assets | 1621 | | | |
| natural Mining Accu Deferre Accu explora Quarrie Accu Gravel Accu Timber Accu Manufa Accu and pro Buildin *Accu and pro Buildin *Accu cequipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | roleum and natural gas properties | 1622 + | | | |
| Mining Accu Peferre Accu explora Quarrie Accu Gravel Accu Timber Accu * Buildings * Buildin *Accu and pre Buildin *Accu and pre Buildin * Accu and pre Constr Accu Constr Accu and ex Foresti Accu | ccumulated amortization of petroleum and | | | | |
| Accu Deferre Accu explora Quarrie Accu Gravel Accu Timber Accu Buildings * Buildin *Accu Manufa Accu and pre Buildin *Accu cequipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | ural gas properties | 1623 | _ | | |
| Buildings * Buildings * Buildin Accu Accu Timber Accu Manufa Accu and pre Buildin * Accu and pre Buildin | ing properties | 1624 + | | | |
| Accu explora Quarrie Accu Gravel Accu Timber Accu Buildings * Buildin Accu and pro Buildin *Accu and pro Buildin * Accu and ex Foresti Accu | ccumulated amortization of mining properties | 1625 | - | | |
| explora Quarrie Accu Gravel Accu Timber Accu * Buildings * Buildin *Accu and pro Buildin * Machinery, equip * Machir * Accu equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | erred exploration and development charges . | 1626 + | | | |
| Ruildings * Building * Building * Buildin * Accu Manufa Accu and pro Buildin * Accu and pro Accu Constr Accu and ex Foresti Accu | ccumulated amortization of deferred | 1627 | | | |
| Accu Gravel Accu Timber Accu Buildings * Buildin Accu Manufa Accu and pro Buildin * Accu and pro Buildin | loration and development charges | | _ | | <u> </u> |
| Buildings * Buildings * Buildings Accu Accu Accu And pro Buildin Machinery, equip * Machinery Accu equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | | | | | |
| Accu Timber Accu Buildings * Buildin *Accu Accu and pro Buildin Machinery, equip * Machir *Acci equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | • | | _ | | |
| Buildings * Buildings * Buildin * Accu Manufa Accu and pre Buildin * Machinery, equip * Machir * Acci equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | • | 1000 | | | |
| * Buildings * Buildings * Buildin * Accu Accu and pro Buildin * Machinery, equip * Machir * Acci equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | ccumulated amortization of gravel pits | 1632 + | _ | | - |
| * Buildings * Buildin * Accu Accu and pro Buildin * Machinery, equip * Machir * Accu equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | ber limits | 1633 | | | |
| * Buildin | Total | | _ | - | - - |
| * Buildin | Total | | | | = |
| *Accu And pro Buildin Machinery, equip * Machinery, equip Accu equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | | | | | |
| *Accu And pro Buildin Machinery, equip * Machinery, equip Accu equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | ldings | 1680 + | | | |
| Machinery, equiper * Machinery * Machinery * Machinery * Machinery * Motor * Acculate * | Accumulated amortization of buildings | | | | |
| and probability and expected and exp | nufacturing and processing plant | | | | _ |
| Machinery, equip * Machinery * Machinery, equipm * Accuent | ccumulated amortization of manufacturing | | | | |
| Machinery, equip * Machinery, equip * Machinery, equip * Accu Accu Tools a Accu Constr Accu and ex Foresti Accu | processing plant | | _ | | |
| * Machir *Accu equipm Motor Accu Tools a Accu Constr Accu and ex Foresti Accu | dings under construction | 1684 + | | | |
| * Machir *Accu equipm Motor Accu Tools a Accu Constr Accu and ex Foresti Accu | Total | l | | | = |
| * Machir *Accu equipm Motor Accu Tools a Accu Constr Accu and ex Foresti Accu | uipment, furniture and fixtures | | | | |
| *Accu equipm Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | chinery, equipment, furniture, and fixtures | 1740 + | 7,060,897 | | 7,241,69 |
| Motor v Accu Tools a Accu Constr Accu and ex Foresti Accu | Accumulated amortization of machinery, | | | | |
| Accu Tools a Accu Constr Accu and ex Foresti Accu | ipment, furniture, and fixtures | 1741 | _ | | _ |
| Tools a Accu Constr Accu and ex Foresti Accu | tor vehicles | 1742 + | | | |
| Accu Constr Accu and ex Foresti Accu | ccumulated amortization of motor vehicles . | 1743 | _ | | |
| Constr Accu and ex Foresti Accu | ols and dies | 1744 + | | | |
| Accu and ex Foresti Accu | ccumulated amortization of tools and dies | 1745 | _ | | |
| and ex Foresti Accu | nstruction and excavating equipment | 1746 + | | | |
| Foresti Accu | ccumulated amortization of construction | 75757 | | | |
| Accu | l excavating equipment | 1747 | _ | | |
| | estry and logging equipment | 1748 + | | | |
| loaging | ccumulated amortization of forestry and ging equipment | 1749 | _ | | |
| | ning gear and nets | 1750 + | | | |
| | ccumulated amortization of fishing gear and | ' | | | |
| nets | | 1751 | _ | | |
| | ing equipment | 1752 + | | | |
| | ccumulated amortization of mining equipment | 1753 | | | |
| | and gas systems | 1754 + | | | |

| Machinery | , equipment, furniture and fixtures (continued) —— | | | |
|------------------------------|--|-----------|----------|--|
| | Accumulated amortization of oil and gas | | | |
| | systems | - | _ | |
| | Production equipment for resource industries 1756 + | | | |
| | Accumulated amortization of production | | | |
| | equipment for resource industries 1757 | | _ | |
| | Production equipment for other than resource | | | |
| | industries | | | |
| | Accumulated amortization of production | | | |
| | equipment for other than resource industries 1759 | | _ | |
| | | | | |
| | Exploration equipment | | | |
| | • | _ | _ | |
| | · · | | | |
| | | | | |
| | Accumulated amortization of shipping | | | |
| | equipment 1763 | • | | |
| | Ships and boats | | | |
| | Accumulated amortization of ships and boats 1765 | • | - | |
| | Aircraft 1766 + | | | |
| | Accumulated amortization of aircraft 1767 | | _ | |
| | Signs | | | |
| | Accumulated amortization of signs 1769 | | _ | |
| | | | | |
| | | | _ | |
| | Accumulated amortization of small tools 1771 | • | | |
| | Radio and communication equipment 1772 + | | | |
| | Accumulated amortization of radio and | | | |
| | communication equipment | • | | |
| | Computer equipment/software 1774 + | | | |
| | Accumulated amortization of | | | |
| | computer equipment/software 1775 | • | | |
| | Musical instruments | | | |
| | Accumulated amortization of musical | | | |
| | instruments | - | | |
| | Satellites 1778 + | | | |
| | Accumulated amortization of satellites 1779 | - | _ | |
| | Earth stations | | | |
| | Accumulated amortization of earth stations 1781 | | _ | |
| | Machinery and equipment under construction 1782 + | | | |
| | 4700 | | | |
| | Accumulated amortization of transportation | | | |
| | | _ | _ | |
| | | | | |
| | | | | |
| | Accumulated amortization of other machinery and equipment 1786 | | | |
| | , , , | • | | |
| | Furniture and fixtures | | | |
| | Accumulated amortization of furniture | | | |
| | and fixtures | 7.040.007 | | |
| | Total __ | 7,060,897 | | |
| | | | | |
| $_{	extsf{	iny}}$ Other tang | ible capital assets —————————————————————————————————— | | | |
| * | Other tangible capital assets 1900 + | | | |
| | *Accumulated amortization of other tangible | | | |
| | capital assets | - | | |
| | Logging roads | | | |
| | Accumulated amortization of logging roads 1903 | | _ | |
| | Asphalt and parking areas | | | |
| | Accumulated amortization of asphalt and | | | |
| | parking areas | | _ | |
| | Wharves | | | |
| 1 | VVIIGIVES ENVIOLE | | | |
| | Accumulated amortization of wharves 1907 | | _ | |

| | tangible capital assets (continued) Fences | | | | |
|---|--|---------------------|-----------|---|-----------|
| | Accumulated amortization of fences | 1909 | _ | | |
| | Capital leases – buildings Accumulated amortization of capital leases | <u>1910</u> + | | | |
| | - buildings | 1911 | _ | | |
| | Capital leases – equipment | | | | |
| | Accumulated amortization of capital leases | | | | |
| | - equipment | 1913 | _ | • | |
| | Capital leases – vehicles | | | | |
| | Accumulated amortization of capital leases | | | | |
| - | - vehicles | 1915 | _ | | |
| | Capital leases – others | 1916 + | | | |
| | Accumulated amortization of capital leases | | | | |
| | – others | 1917 | _ | | |
| | Leasehold improvements | 1918 + | | | |
| | Accumulated amortization of leasehold | | | | |
| | improvements | | - | | |
| | Other capital assets under construction | | | | |
| | Campsites | <mark>1921</mark> + | | | |
| | Accumulated amortization of campsites | 1922 | _ | • | |
| | | Γotal | | | |
| | | | | | |
| | | | | | |
| | Total tangible capital assets | 2008 = | 7,060,897 | | 7,241,691 |
| | | | | | |
| | Total accumulated amortization of | | | | |
| | tangible capital assets | 2009 | = | : | |

^{*} Generic item

Current Liabilities

Form identifier 3139 **GIFI** Account **Amount** Prior year Description * Bank overdraft 2600 + Amounts payable and accrued liabilities * Amounts payable and accrued liabilities 107,799 87,743 Trade payables 2622 Trade payables to related parties Holdbacks payable Wages payable Management fees payable Bonuses payable Employee deductions payable 2627 Withholding taxes payable 2628 Interest payable 2629 2630 Amounts payable to members of NPOs 87.743 107.799 Amounts payable and accrued liabilities * Taxes payable Short-term debt * Short-term debt 2701 Loans from Canadian banks Liability for securities sold short Liability for securities sold under repurchase agreements 2703 2704 Gold and silver certificates 2705 Cheques and other items in transit Lien notes 2706 2707 Credit card loans Short-term debt * Deferred income Due to shareholder(s)/director(s)-* Due to shareholder(s)/director(s) 2780 Due to individual shareholder(s) 2781 Due to corporate shareholder(s) 2782 2783 Due to director(s) Due to shareholder(s)/director(s) 2840 + * Due to joint venture(s)/partnership(s) Due to related parties 2860 * Due to related parties Demand notes due to related parties 2861 2862 Interest payable to related parties Advances due to related parties 2863 Due to related parties

| *Current portion of long-term liability | | |
|---|--------|---------|
| *Bankers' acceptances | | |
| Other current liabilities | | |
| *Other current liabilities | | |
| Deposits received | | |
| Dividends payable | | |
| Future (deferred) income taxes | | |
| Reserves for guarantees, warranties, or indemnities | | |
| General provisions/reserves | | |
| | | |
| Other current liabilities + | | |
| Total current liabilities 3139 = | 87.743 | 107,799 |

^{*} Generic item

Long-term Liabilities

| ebt ong-term debt lortgages arm credit corporation loan chartered bank loan credit Union/Caisse Populaire loan rovincial government loan upply company loan rivate loan central, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3142 3143 3144 3145 3146 3147 3148 3149 | 5,732,000 | 5,882,000 5,882,000 |
|---|--|---|--|
| ong-term debt flortgages arm credit corporation loan chartered bank loan credit Union/Caisse Populaire loan rovincial government loan upply company loan rivate loan central, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3141 3142 3143 3144 3145 3146 3147 3148 3149 3150 3151 3152 | | |
| ong-term debt flortgages arm credit corporation loan chartered bank loan credit Union/Caisse Populaire loan rovincial government loan upply company loan rivate loan central, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3141 3142 3143 3144 3145 3146 3147 3148 3149 3150 3151 3152 | | |
| fortgages arm credit corporation loan chartered bank loan credit Union/Caisse Populaire loan rovincial government loan upply company loan rivate loan central, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3142 3143 3144 3145 3146 3147 3148 3149 3150 3151 3152 | | |
| arm credit corporation loan chartered bank loan credit Union/Caisse Populaire loan crovincial government loan upply company loan crivate loan central, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3143 3144 3145 3146 3147 3148 3149 3150 3151 3152 | 5,732,000 | 5,882,000 |
| chartered bank loan credit Union/Caisse Populaire loan crovincial government loan upply company loan crivate loan central, league, and federation loans cine of credit ciability for securities sold short ciability for securities sold under repurchase agreements cong-term debt | 3144 3145 3146 3147 3148 3149 3150 3151 3152 | 5,732,000 | 5,882,000 |
| redit Union/Caisse Populaire Ioan rovincial government Ioan upply company Ioan rivate Ioan entral, league, and federation Ioans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3144 3145 3146 3147 3148 3149 3150 3151 3152 | 5,732,000 | 5,882,000 |
| rovincial government loan upply company loan rivate loan entral, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3145 3146 3147 3148 3149 3150 3151 3152 | 5,732,000 | 5,882,000 |
| upply company loan rivate loan entral, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3146 3147 3148 3149 3150 3151 3152 | 5,732,000 | 5,882,000 |
| rivate loan central, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3147 3148 3149 3150 3151 3152 | 5,732,000 | 5,882,000 |
| entral, league, and federation loans ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3148 3149 3150 3151 3152 + | 5,732,000 | 5,882,000 |
| ine of credit iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3149 3150 3151 3152 + | 5,732,000 | 5,882,000 |
| iability for securities sold short iability for securities sold under repurchase agreements ien notes ong-term debt | 3150 3151 3152 + | 5,732,000 | 5,882,000 |
| iability for securities sold under repurchase agreements ien notes ong-term debt | 3151 3152 + | 5,732,000 | 5,882,000 |
| ien notes | 3152 + = | 5,732,000 | 5,882,000 |
| ong-term debt | +_ | 5,732,000 | 5,882,000 |
| | 3200 + | 0,102,000 | 3,002,000 |
| eposit liabilities of financial institutions | 3200 + | | |
| | | | |
| | · · | | |
| onds and debentures | 3210 + | | |
| eferred income | 3220 + | | |
| uture (deferred) income taxes | 3240 + | 397 000 | 414,000 |
| utaro (aoromou) moomo taxoo | | 377,000 | 111,000 |
| eholder(s)/director(s) | | | |
| ue to shareholder(s)/director(s) | 3260 | | |
| ue to individual shareholder(s) | 3261 | | |
| | 3262 | | |
| · | 3263 | | |
| ue to shareholder(s)/director(s) | +_ | | |
| uue to members | 3270 + | | |
| de to members | 3270 | | |
| ue to joint venture(s)/partnership(s) | 3280 + | | |
| ed parties | | | |
| <u>.</u> | 3300 | | |
| | _ | | |
| · · · · · · · · · · · · · · · · · · · | _ | | |
| | | | |
| | eferred income uture (deferred) income taxes eholder(s)/director(s) ue to shareholder(s)/director(s) ue to individual shareholder(s) ue to corporate shareholder(s) ue to director(s) ue to shareholder(s)/director(s) ue to members | eferred income 3220 + uture (deferred) income taxes 3240 + cholder(s)/director(s) ue to shareholder(s)/director(s) ue to individual shareholder(s) ue to corporate shareholder(s) ue to director(s) ue to shareholder(s)/director(s) ue to shareholder(s)/director(s) ue to origorate shareholder(s) ue to director(s) ue to shareholder(s)/director(s) + | September Sept |

| ong-term liabilities * Other long-term liabilities |
|---|
| |
| Long-term obligations/commitments/capital leases |
| Reserves for guarantees, warranties, or indemnities |
| Provision for site restoration |
| Contributions to qualifying environmental trust |
| General provisions/reserves |
| Preference shares restated |
| Member allocations |
| Deferred revenue from incomplete contracts |
| Other long-term liabilities + |
| |

| Total long-term liabilities | 3450 = | 6,129,000 | 6,296,000 |
|-----------------------------|--------|-----------|-----------|
| | | | |

^{*} Generic item

Shareholder Equity

| | | | | Form identifier 3620 |
|------------|---------------------------------|--------|------------|----------------------|
| Account | Description | GIFI | Amount | Prior year |
| | *Common shares | 3500 + | 100 | 100 |
| | * Preferred shares | 3520 + | 2,400,000 | 2,400,000 |
| _ Contribเ | ited and other surplus | | | |
| | _*Contributed and other surplus | 3540 | | |
| | | 3541 | | |
| | _ Appraisal surplus | | | |
| | | 3543 | | |
| | Contributed and other surplus | += | | |
| | * Head office account | 3570 + | | |
| | * Retained earnings/deficit | 3600 + | -1,060,633 | -958,311 |
| | Total shareholder equity | 3620 = | 1,339,467 | 1,441,789 |

^{*} Generic item

Retained Earnings/Deficit

| | | | | Form identifier 384 |
|------------|--|----------------------|------------|---------------------|
| Account | Description | GIFI | Amount | Prior year |
| | *Retained earnings/deficit – start | 3660 + | -958,311 | -194,601 |
| | * Net income/loss | 3680 + | -102,322 | -763,710 |
| – Dividend | ds declared — | | | |
| | * Dividends declared Cash dividends Patronage dividends Dividends declared | 3700 3701 3702 | | |
| | _* Prior period adjustments | 3720 + | | |
| Other ite | ems affecting retained earnings | | | |
| | * Other items affecting retained earnings Share redemptions Special reserves Currency adjustments Unusual revenue items Interfund transfer Other items affecting retained earnings | | | |
| | Retained earnings/deficit – end | 3849 = _ | -1,060,633 | -958,311 |

^{*} Generic item



Agence du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

| | | Form identifier 125 |
|---|-------------------|--------------------------------|
| Name of corporation | Business Number | Tax year end Year Month Day |
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2006-12-31 |

Income statement information

| Description | GIFI |
|----------------|-------------------------|
| Operating name | 0001 0002 0003 01 |

| Account | Description | GIFI | Amount | Prior year |
|------------|---|--------|----------|------------|
| Income : | statement information — | | | |
| | _ Total sales of goods and services | 8089 + | 558,210 | 506,060 |
| | _ Cost of sales | 8518 – | | |
| | Gross profit/loss | 8519 = | 558,210 | 506,060 |
| | Cost of sales | 8518 + | | |
| | Total operating expenses | 9367 + | 673,592 | 796,566 |
| | Total expenses (mandatory field) | 9368 = | 673,592 | 796,566 |
| | Total revenue (mandatory field) | 8299 + | 573,270 | 537,856 |
| | Total expenses (mandatory field) | 9368 – | 673,592 | 796,566 |
| | Net non-farming income | 9369 = | -100,322 | -258,710 |
| | Net farm income | 9899 = | | |
| | Net income/loss before taxes and extraordinary items | 9970 = | -100,322 | -258,710 |
| | Net income/1033 before taxes and extraordinary items | 9910 - | -100,322 | -230,710 |
| Extraord | linary items and income (linked to Schedule 140) | | | |
| LXII aoi a | Extraordinary item(s) | 9975 - | | |
| | Legal settlements | 9976 – | | |
| | Unrealized gains/losses | 9980 + | | |
| | Unusual items | 9985 - | | |
| | Current income taxes | 9990 – | 19,000 | -19,000 |
| | Deferred income tax provision | 9995 - | -17,000 | 524,000 |
| | | | | |
| | Net income/loss after taxes and extraordinary items (mandatory field) | 9999 = | -102,322 | -763,71 |

Revenue

Form identifier 8299

| | | | | Form identifier 8299 |
|-------------|---|----------|---------|----------------------|
| Account | Description | GIFI | Amount | Prior year |
| | *Trade sales of goods and services | . 8000 + | 558,210 | 506,060 |
| | *Sales of goods and services to related parties | 8020 + | | |
| | * Interdivisional sales | 8030 + | | |
| - Sales fro | om resource properties | | | |
| | * Sales from resource properties | 8040 | | |
| | Petroleum and natural gas sales | 8041 | | |
| | Petroleum and natural gas sales to related parties | 8042 | | |
| | Gas marketing | 8043 | | |
| | Processing revenue | 8044 | | |
| | Pipeline revenue | 8045 | | |
| | Seismic sales | 8046 | | |
| | Mining revenue | 8047 | | |
| | _ Coal revenue | 8048 | | |
| | _ Oil sands revenue | 8049 | | |
| | _ Royalty income | 8050 | | |
| | _ Oil and gas partnership/joint venture income/loss | 8051 | | |
| | Mining partnership/joint venture income/loss | 8052 | | |
| | Other production revenue | 8053 | | |
| | Sales from resource properties | += | | |
| | Total calca of woods and comisses | 8089 = | FF0 210 | F0/ 0/0 |
| | Total sales of goods and services | | 558,210 | 506,060 |
| - Investm | ent revenue | | | |
| | * Investment revenue | 8090 | 15,060 | 31,796 |
| | Interest from foreign sources | 8091 | | |
| | Interest from Canadian bonds and debentures | 8092 | | |
| - | Interest from Canadian mortgage loans | 8093 | | |
| | Interest from other Canadian sources | 8094 | | |
| | Dividend income | 8095 | | |
| | Dividends from Canadian sources | 8096 | | |
| | Dividends from foreign sources | 8097 | 15.0/0 | 21.70/ |
| | Investment revenue | | 15,060 | 31,796 |
| – Interest | income (financial institutions) | | | |
| | * Interest income (financial institutions) | 8100 | | |
| | Loan interest | 8101 | | |
| | Securities interest | 8102 | | |
| | Deposits with banks interest | 8103 | | |
| | Interest income (financial institutions) | += | | |
| – Commis | sion revenue | | | |
| Commis | *Commission revenue | 8120 | | |
| | Commission income on real estate transactions | 8120 | | |
| | Commission revenue | + — | | |
| | Odminiosion revenue | | | |

| ┌ Rental revenue ────── | | | |
|---|------|-----------|---------|
| *Rental revenue | 8140 | | |
| | 8141 | | |
| Real estate rental revenue | | | |
| | 8142 | | |
| Rental revenue | | + | |
| | | | |
| *\/ohiala lagging | 8150 | L | |
| *Vehicle leasing | 6150 | T | |
| | | | |
| Fishing revenue | | | |
| *Fishing revenue* | 8160 | | |
| Fish products | 8161 | | |
| Other marine products | 8162 | | |
| Fishing grants, credits, and rebates | 8163 | | |
| Fishing subsidies | 8164 | | |
| Compensation for loss of fishing income or property | 8165 | | |
| Sharesman income | 8166 | | |
| | 0100 | | |
| Fishing revenue | | T | |
| | | | |
| Realized gains/losses on disposal of assets | | | |
| *Realized gains/losses on disposal of assets | 8210 | | |
| Realized gains/losses on sale of investments | 8211 | | |
| Realized gains/losses on sale of resource properties | 8212 | | |
| Realized gains/losses on disposal of assets | | + | |
| | | | |
| ┌ NPO amounts received ───── | | | |
| | 8220 | | |
| *Non-Profit organizations amounts received | 8221 | | |
| Membership fees | | | |
| Assessments | 8222 | | |
| Gifts | 8223 | | |
| Gross sales and revenues from organizational activities | 8224 | | |
| NPO amounts received | | + | |
| | | | |
| ┌ Other revenue ──── | | | |
| *Other revenue | 8230 | | |
| Foreign exchange gains/losses | 8231 | | |
| Income/loss of subsidiaries/affiliates | 8232 | | |
| Income/loss of other divisions | 8233 | | |
| Income/loss of joint ventures | 8234 | | |
| · · · · · · · · · · · · · · · · · · · | 8235 | | |
| Income/loss of partnerships | | | - |
| Realization of deferred revenues | 8236 | | |
| Royalty income other than resource | 8237 | | |
| Alberta royalty tax credits | 8238 | | |
| Management and administration fees | 8239 | | |
| Telecommunications revenue | 8240 | | |
| Consulting fees | 8241 | | |
| Subsidies and grants | 8242 | | |
| Sale of by-products | 8243 | | |
| Deposit services | 8244 | | |
| Credit services | 8245 | | |
| Card services | 8246 | | |
| | 8247 | - | |
| Patronage dividends | | | |
| Insurance recoveries | 8248 | | |
| Expense recoveries | 8249 | | |
| Bad debt recoveries | 8250 | | |
| Other revenue | | + | |
| | | | |
| Tatalanana | 0000 | F70 070 | F07.0F/ |
| Total revenue | 8299 | = 573,270 | 537,856 |

^{*} Generic item

Operating Expenses

Form identifier 9367

| | | | | Form identifier 936 |
|------------|--|---------------|----------|---------------------|
| Account | Description | GIFI | Amount | Prior year |
| Advertisi | ing and promotion — | | | |
| | *Advertising and promotion | 8520 | | |
| | | 8521 | | |
| | Donations | 8522 | | |
| | Meals and entertainment | 8523 | | |
| | Promotion | 8524 | | |
| | Advertising and promotion | + | | |
| | | | | |
| | _* Amortization of intangible assets | 8570 + | | |
| | _*Goodwill impairment loss | 8571 + | | |
| | _* Bad debt expense | 8590 + | | |
| Loan los | ses | | | |
| | | 8610 | | |
| | _ | 8611 | | |
| | Loan losses | | | |
| | | | | |
| Employe | e benefits — | | | |
| | | 8620 | | |
| | | 8621 | | |
| | _ ' | 8622 | | |
| | | 8623 | | |
| | Employee benefits | + | | |
| | • • | | | |
| | *Amortization of natural resource assets | 8650 + | | |
| | * Amortization of tangible assets | 8670 + | 180,794 | 192,468 |
| | | | <u> </u> | <u> </u> |
| Insuranc | | 0000 | | |
| | _ | 8690 | | |
| | _ | 8691 | | |
| | Insurance | + | | |
| Interest a | and bank charges | | | |
| | _* Interest and bank charges | 8710 | 390,329 | 430,753 |
| | Interest on short-term debt | 8711 | | |
| | Interest on bonds and debentures | 8712 | | |
| | _ | 8713 | | |
| | Interest on long-term debt | 8714 | | |
| | _ | 8715 | | |
| | _ | 8716 | | |
| | _ | 8717 | | |
| | Interest and bank charges | | 390,329 | 430,753 |

| Interest paid (financial institutions) | | |
|--|-------------|---------|
| *Interest paid (financial institutions) *Interest paid (financial institutions) *The second paid (financial institutions) *The second paid (financial institutions) | | |
| Interest paid (interior principles in the least paid (int | | |
| Interest paid on bonds and debentures | | |
| Interest paid (financial institutions) + | | |
| Interest paid (infancial institutions) | | |
| Business taxes, licences, and memberships | | |
| 40 | | |
| Business taxes, licences, and memberships | | |
| Business taxes 8762 | | |
| Franchise fees | | |
| Government fees 8764 | | |
| Business taxes, licences, and memberships + | | |
| Business taxes, incences, and memberships | | |
| | | |
| * New Brunswick tax on large corporations | | |
| | | |
| * Nova Scotia tax on large corporations | | |
| Nova Scotia tax off large corporations | | |
| Office expenses | | |
| Office expenses | | |
| * Office expenses | | |
| Office stationery and supplies | | |
| Office utilities | | |
| Data processing | | |
| Office expenses + | | |
| Destructional face | | |
| Professional fees | | |
| * Professional fees | | |
| Legal fees | | |
| Accounting fees | | |
| Consulting fees | | |
| Architect fees | | |
| Appraisal fees | | |
| Laboratory fees | | |
| Medical fees 8867 | | |
| Veterinary fees | | |
| Brokerage fees | | |
| Transfer fees | | |
| Management and administration fees | 102,469 | 173,345 |
| Refining and assay | | |
| Registrar and transfer agent fees | | |
| Restructuring costs | | |
| Security commission fees | | |
| Training expense | | |
| Studio and recording | | |
| Professional fees + | 102,469 | 173,345 |

| – Rental — | | |
|---------------|---|-----------------------------|
| | * Rental 8910 | |
| | Real estate rental | |
| | Occupancy costs | |
| | · · · | |
| | | |
| | Equipment rental | |
| | Motor vehicle rentals | |
| | Moorage (boat) | |
| | Storage | |
| | Quota rental 8918 | |
| | Rental + | |
| | | |
| | | |
| ┌ Repairs a | nd maintenance | |
| | *Repairs and maintenance | |
| | Repairs and maintenance – buildings | |
| - | Repairs and maintenance – vehicles | |
| - | Repairs and maintenance – boats | |
| | Repairs and maintenance – machinery and equipment | |
| l | · ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' | |
| | Repairs and maintenance + | |
| | | |
| Other rep | airs and maintenance | |
| - | *Other repairs and maintenance | |
| | Machine shop expense | |
| l | · ' ' ——— | - |
| | | |
| | Security 9013 | |
| | Garbage removal 9014 | |
| | Other repairs and maintenance + | |
| | | |
| _ Salarios a | and wages — | |
| Odianics a | | |
| | | |
| | 0.004 | , _ |
| | Commissions 9061 | |
| | Crew share 9062 | |
| | Crew share 9062 Bonuses 9063 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 | |
| | Crew share 9062 Bonuses 9063 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 | |
| | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + | |
| Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + | |
| - Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 * Supplies 9130 | |
| Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 | |
| - Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 * Supplies 9130 Small tools 9131 Shop expense 9132 | |
| - Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 | |
| - Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9131 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 | |
| - Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 | |
| - Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 Computer-related expenses 9150 | |
| - Supplies - | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 + * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 Computer-related expenses 9150 Upgrade 9151 | |
| Supplies | Crew share 9062 Bonuses 9063 Directors fees 9064 Management salaries 9065 Employee salaries 9066 Salaries and wages + * Sub-contracts 9110 * Supplies 9130 Small tools 9131 Shop expense 9132 Uniforms 9133 Laundry 9134 Food and catering 9135 Fishing gear 9136 Nets and traps 9137 Salt, bait, and ice 9138 Camp supplies 9139 Computer-related expenses 9150 | |

| | | | 67661 9301 RC000 |
|--------------------|---|--------------------|------------------|
| | * Property taxes | + | |
| ⊤Travel ex | penses — | | |
| | *Travel expenses | 0 | |
| | Meetings and conventions | | |
| | Travel expenses | - | |
| | Truver expenses | · | |
| ─ Utilities – | | | |
| | * Utilities | 0 | |
| | Electricity 922 | | |
| | - Water 922 | 2 | |
| | - Heat | 3 | |
| | Fuel costs 922 | 4 | |
| | Telephone et telecommunications | | |
| | Utilities | | |
| | | | |
| Other eve | 200000 | | |
| ackslash Other exp | | 20 | |
| | *Other expenses | | |
| | Cash over/short | | |
| | Reimbursement of parent company expense | | |
| | Selling expenses | | |
| | Shipping and warehouse expense | | |
| | Delivery, freight and express | | |
| | Warranty expenses 927 | | |
| | Royalty expenses – resident927 | | |
| | Royalty expenses – non-resident | | |
| | Dumping charges 927 | · - | |
| | _ Land fill fees | | |
| | _ Vehicle expenses 928 | | |
| | Research and development 928 | | |
| | Withholding taxes 928 | 3 | |
| | General and administrative expenses | 4 | |
| | Interdivisional expenses | 5 | |
| | Interfund transfer | 6 | |
| | Other expenses | + | |
| | | | |
| | | - (70 F00 | 70/ 5// |
| | Total operating expenses 936 | 7 = 673,592 | 796,566 |

^{*} Generic item

Agence du revenu du Canada Canada Revenue

SCHEDULE 141

NOTES CHECKLIST

| Corporation's name | Business Number | Tax year end Year Month Day |
|---|----------------------------------|--------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2006-12-31 |
| This schedule should be completed from the perspective of the person who prepared or re | ported on the financial s | tatements. 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? | 1 Yes X 2 No |
| Is the accounting practitioner connected* with the corporation? | 1 Yes 2 No X |
| * A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with | common 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 | X |
| Completed a review engagement report | |
| Conducted a compilation engagement | |
| Has the accounting practitioner expressed a reservation? | 1 Yes 2 No X |
| Were notes to the financial statements prepared? | 1 Yes X 2 No |
| If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? | 1 Yes 2 No X |
| Has there been a change in accounting policies since the last return? 103 | 1 Yes 2 No X |
| Are subsequent events mentioned in the notes? | 1 Yes 2 No X |
| Is re-evaluation of asset information mentioned in the notes? | 1 Yes 2 No X |
| Is contingent liability information mentioned in the notes? | 1 Yes 2 No X |
| Is information regarding commitments mentioned in the notes? | 1 Yes 2 No X |
| Does the corporation have investments in joint venture(s) or partnership(s)? | 1 Yes 2 No X |
| If Yes, complete line 109 below: Are you filing financial statements of the joint venture(s) or partnership(s)? 109 | 1 Yes 2 No |

Canadä T2 SCH 141 (04)



Canada Revenue

Agence du revenu du Canada

SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

| Corporation's name | Business Number | Tax year end |
|---|-------------------|----------------|
| | | Year Month Day |
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2006-12-31 |

- 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. For more information, see the T2 *Corporation Income Tax Guide*.
- 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.

| Net income (loss) after taxes and extraordinary items per financial statements Add: | | ····· | -102,322 A |
|--|-----|------------------|------------|
| Provision for income taxes – current | 101 | 19,000 | |
| Provision for income taxes – deferred | 102 | -17,000 | |
| Amortization of tangible assets | 104 | 180,794 | |
| Subtotal of additions | | 182,794 ▶ | 182,794 |
| Other additions: | | | |
| Miscellaneous other additions: | | | |
| Subtotal of other additions | 199 | 0▶ | 0 |
| Total additions | 500 | <u>182,794</u> ► | 182,794 |
| Deduct: | | | |
| Capital cost allowance from Schedule 8 | 403 | 237,793 | |
| Subtotal of deductions | | 237,793 | 237,793 |
| Other deductions: | | | |
| Miscellaneous other deductions: | | | |
| Subtotal of other deductions | 499 | 0▶ | 0 |
| Total deductions | 510 | 237,793 | 237,793 |
| Net income (loss) for income tax purposes – enter on line 300 of the T2 return | | | -157,321 |

T2 SCH 1 E (06) Canadä

Part 1 - Non-capital losses

Canada Revenue Agence du revenu dŭ Canada

SCHEDULE 4

CORPORATION LOSS CONTINUITY AND APPLICATION

| Name of corporation | Business Number | Tax year end Year Month Day | | | |
|---|-------------------|--------------------------------|--|--|--|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2006-12-31 | | | |
| | | | | | |

Determination of current-year non-capital loss

- 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 previous years.
- The corporation can choose whether or not to deduct an available loss from income in a tax year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- In accordance with subsection 111(4) of the Income Tax Act, when control has been acquired no amount of capital loss incurred for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time AND no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) & (b).
- For information on these losses, see the T2 Corporation Income Tax Guide.
- File one completed copy of this schedule with the T2 return, or send 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.

| Net income (loss) for income tax purposes | -157,321 |
|--|----------|
| Deduct: (increase a loss) | |
| Net capital losses deducted in the year (enter as a positive amount) | |
| Taxable dividends deductible under sections 112, 113, or subsection 138(6) | |
| Amount of Part VI.1 tax deductible | |
| Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) | |
| Deduct: (increase a loss) Subtotal (if positive, enter "0") | -157,321 |
| Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions | |
| Add: (decrease a loss) | -157,321 |
| Current-year farm loss | |
| Current-year non-capital loss (if positive, enter "0") | -157,321 |
| Continuity of non-capital losses and request for a carryback | |
| Non-capital loss at the end of preceding tax year | |
| Deduct: Non-capital loss expired * | |
| Non-capital losses at beginning of tax year | |
| Add: Non-capital losses transferred on an amalgamation or the | |
| windup of a subsidiary corporation | |
| Current-year non-capital loss (from calculation above) | 727,661 |
| Deduct: | |
| Other adjustments (includes adjustments for an acquisition of control) 150 | |
| Section 80 – Adjustments for forgiven amounts | |
| Subsection 111(10) – Adjustments for fuel tax rebate | |
| Deduct: | |
| Amount applied against taxable income (enter on line 331 of the T2 return) 130 | |
| Amount applied against taxable dividends subject to Part IV tax | |
| Deduct – Request to carry back non-capital loss to: | 727,661 |
| First preceding tax year to reduce taxable income | |
| Second preceding tax year to reduce taxable income | |
| Third preceding tax year to reduce taxable income | |
| First preceding tax year to reduce taxable dividends subject to Part IV tax 911 | |
| Second preceding tax year to reduce taxable dividends subject to Part IV tax 912 | |
| Third preceding tax year to reduce taxable dividends subject to Part IV tax 913 | |
| Non-capital losses – Closing balance | 727,661 |
| * A non-capital loss expires as follows: | |
| After 7 tax years if it arose in a tax year ending before March 23, 2004: | |

- After 10 tax years if it arose in a tax year ending after March 22, 2004 and ending before 2006; or
- After 20 tax years if it arose in a tax year ending in 2006 and later.

| Election under paragraph 88(1.1)(f) | |
|--|--|
| | |
| Paragraph 88(1.1)(f) election indicator | |
| Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding tax year. | |

Part 2 - Capital losses

| Current-year capital loss (from Schedule 6 calculation) Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year | | Continuity of capital losses | and request for a c | arryback ——— | |
|--|---|---------------------------------------|----------------------------|-------------------------------|---------------------|
| of a subsidiary corporation Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from Schedule 6 calculation) Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) First preceding tax year Second preceding tax year Second preceding tax year 951 Second preceding tax year | | | 20 | 0 | _ |
| Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from Schedule 6 calculation) Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) First preceding tax year Second preceding tax year Second preceding tax year 951 Second preceding tax year | | • | 20 | = | |
| Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from Schedule 6 calculation) Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75,0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) Capitalgain (100%) First preceding tax year Second preceding tax year Second preceding tax year | • • | | | 5 | |
| Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from Schedule 6 calculation) Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year | | ats for an acquisition of control | 25 | 0 | |
| Add: Current-year capital loss (from Schedule 6 calculation) Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Subtotal Capital gain Amount carried back (100%) First preceding tax year Second preceding tax year | Section 80 – Adjustments for forgiven a | amounts | 24 | 0 | _ |
| Non capital losses from a preceding tax year* that expired this year Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct: Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year | Add: | | | | - |
| Allowable business investment losses (ABIL) incurred in the same preceding tax year* referred to at line A Enter amount from line A or B, whichever is less | Current-year capital loss (from Schedule | 6 calculation) | | | 210 |
| Enter amount from line A or B, whichever is less | Non capital losses from a preceding tax y | year* that expired this year | | | _ A |
| Enter amount from line A or B, whichever is less | | BIL) incurred in the | | | _ |
| Allowable business investment loss expired as non-capital loss: line 215 divided by inclusion rate** 75.0000 % | | | | • | _ B |
| Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct – Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year | Enter amount from line A or B, whichever | er is less 215 | | | |
| Note: If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Deduct: Amount applied against current-year capital gain (see Note 1) Deduct - Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year | • | • | | | |
| Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year Loss for a windup or a subsidiary, do a separate calculation of the allowable business investment loss expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total at line 220 above. Capital gain (100%) Capital gain (100%) Possible to carry back capital loss to: (see Note 2) Capital gain (100%) Subtotal Amount carried back (100%) 951 952 | line 215 divided by inclusion rate** 75 | ′5.0000 % | | | 220 |
| Deduct – Request to carry back capital loss to: (see Note 2) Capital gain (100%) First preceding tax year Second preceding tax year Second preceding tax year Second preceding tax year Second preceding tax year | calculation of the allowable business investors for each predecessor or subsidiary. A | estment loss expired as non-capital | • | Subtotal | |
| Deduct – Request to carry back capital loss to: (see Note 2) Capital gain (100%) Amount carried back (100%) First preceding tax year 951 Second preceding tax year 952 | Deduct: Amount applied against current- | -year capital gain (see Note 1) | | | 225 |
| Capital gain (100%) Amount carried back (100%) First preceding tax year 951 Second preceding tax year 952 | Deduct – Request to carry back capital | al loss to: (see Note 2) | | Sub | ototal |
| Second preceding tax year 952 | | • | | | |
| | First preceding tax year | | | | _ |
| | | | | | _ |
| Third preceding tax year 953 | | | | | |
| Capital losses – Closing balance | Capital losses – Closing balance | | | | |
| | Note 1 | | | | |
| On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%. | | om line 225 multiplied by 50%. | | | |
| Note 2 Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital | Note 2 Enter on lines 225, 951, 952, or 953, whichever a | applies, the actual amount of the los | ss. At the time of the app | olication of the loss carryba | ck, the net capital |

* Losses from a preceding tax year to be entered at line A and line B are the following:

loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

- If the loss was incurred in a tax year ending before March 23, 2004, enter the loss from the 8th preceding tax year, which has expired this year;
- If the loss was incurred in a tax year ending after March 22, 2004 and before 2006, enter the loss from the 11th preceding tax year, which has expired this year.
- If the loss was incurred in a tax year ending in 2006 and later, enter the loss from the 21th preceding tax year, which has expired this year.
- ** The inclusion rate is the one that you used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:
 - For ABILs incurred in 1999 and preceding tax years, use 0.75.
 - For ABILs incurred in 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 version T2SCH6(01).
 - For ABILs incurred in 2002 and later tax years, use 0.5.

| Part 3 – Farm losse | S |
|---------------------|---|
|---------------------|---|

| Part 3 – Farm Iosses | - Continuity of farm losses and re | equest for a carryback | · | |
|---|--|-------------------------|------------------|----------------|
| Farm losses at end of preceding tax year | - | - | ` | |
| Deduct: Farm loss expired after 10 tax y | | | | |
| Farm losses at beginning of tax year | | | | |
| Add: Farm losses transferred on an am | | | | |
| or the windup of a subsidiary corporation | | 305 | | |
| Current-year farm loss | | 310 | | |
| Deduct: | | | | |
| Other adjustments (includes adjustment | nts for an acquisition of control) | 350 | | |
| Section 80 - Adjustments for forgiven a | | | | |
| Amount applied against taxable income | e (enter on line 334 of the T2 return) | 330 | | |
| Amount applied against taxable divider | | 335 | | |
| | - | | Subtotal | |
| Deduct - Request to carry back farm | loss to: | | | |
| First preceding tax year to reduce taxal | | 921 | | |
| Second preceding tax year to reduce ta | | 922 | | |
| Third preceding tax year to reduce taxa | | | | |
| First preceding tax year to reduce taxal | | | | |
| Second preceding tax year to reduce to | | | | |
| Third preceding tax year to reduce taxa | | | | |
| Farm losses – Closing balance | | | | |
| <u> </u> | | | | |
| Part 4 – Restricted farm losses | Current weer rectricts | nd form loss | | |
| | Current-year restricte | | | _ |
| Total losses for the year from farming be | usiness | | <mark>485</mark> | С |
| Minus the deductible farm loss: | | | | |
| \$2,500 plus D or E, whichever is less | | \$ | 2,500 | |
| (Amount C above | \$2,500) divided by 2 = | D | | |
| | \$ | 6,250 E | | 2,500 F |
| Current-year restricted farm loss (amou | nt C minus amount F) (enter this am | nount on line 410) | ····· | |
| Cor | ntinuity of restricted farm losses a | and request for a carry | vhack ———— | |
| Restricted farm losses at end of precedi | • | - | , buon | |
| Deduct: Restricted farm loss expired aft | | | | |
| Restricted farm losses at beginning of ta | <u> </u> | | | |
| Add: Restricted farm losses transferred | | 402 | | |
| windup of a subsidiary corporation | | 405 | | |
| Current-year restricted farm loss (enter | | | | |
| Deduct: | of the 255 of Concadic 1) | | | |
| Amount applied against farming incom- | e (enter on line 333 of the T2 return |) 430 | | |
| Section 80 – Adjustments for forgiven a | • | | | |
| · · · · · · · · · · · · · · · · · · · | amounts | | | |
| Other adjustments | | 450 | Subtotal | |
| Daduct Barriagt to committee back reaction | inted forms land to | | Subtotal | |
| Deduct – Request to carry back restri | | 277 | | |
| First preceding tax year to reduce farm | - | | | |
| Second preceding tax year to reduce fa | • | | | |
| Third preceding tax year to reduce farm | • | | | |
| Restricted farm losses – Closing balance | e | | <mark>480</mark> | |
| Note | | | | |

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

Part 5 – Listed personal property losses

| Continuity of listed personal prope | erty loss and request for a carryback ———————————————————————————————————— |
|--|--|
| Listed personal property losses at end of preceding tax year | |
| Deduct: Listed personal property loss expired after seven tax years | |
| Listed personal property losses at beginning of tax year | <mark>502</mark> |
| Add: Current-year listed personal property loss (from Schedule 6) | <mark>510</mark> |
| Deduct: | Subtotal |
| Amount applied against listed personal property gains (enter on line 655 of Schedule 6) Other adjustments | |
| | Subtotal |
| Deduct – Request to carry back listed personal property loss to: | |
| First preceding tax year to reduce listed personal property gains | 961 |
| Second preceding tax year to reduce listed personal property gains | 962 |
| Third preceding tax year to reduce listed personal property gains | <u>963</u> |
| Listed personal property losses – Closing balance | <mark>580</mark> |

Part 7 – Limited partnership losses

| Current-year limited partnership losses | | | | | | | | |
|---|----------------------------|--|------------------------------------|--|---|---|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Partnership identifier | Fiscal period ending | Corporation's share of limited partnership loss | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses | Column 4 minus column 5 If negative, enter "0". | Current-year limited partnership losses Column 3 - 6 | | |
| 600 | 602 | 604 | 606 | 608 | | 620 | | |

Total (enter this amount on line 222 of Schedule 1)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------------|----------------------------|--|------------------------------------|--|---|---|
| Partnership identifier | Fiscal period ending | Limited partnership losses at end of preceding tax year | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses | Column 4 minus column 5 If negative, enter "0". | Limited partnership losse that may be applied in the yea The lesser of columns 3 and 6 |
| 630 | 632 | 634 | 636 | 638 | | 650 |

| Continuity of limited partnership losses that can be carried forward to future tax years | | | | | | | |
|--|--|--|---|---|--|--|--|
| Limited partnership losses at end of preceding tax year | Limited partnership losses transferred on an amalgamation or the windup of a | Current-year limited partnership losses | Limited partnership losses applied (cannot exceed | Limited partnership losses closing balance | | | |
| 662 | subsidiary 664 | (from column 620) | column 650) 675 | (662 + 664 + 670 - 675 680 | | | |
| | Limited partnership losses at end of preceding tax year | Limited partnership losses at end of preceding tax year Limited partnership losses transferred on an amalgamation or the windup of a subsidiary | Limited partnership losses at end of preceding tax year Limited partnership losses transferred on an amalgamation or the windup of a subsidiary Current-year limited partnership losses (from column 620) | Limited partnership losses at end of preceding tax year Limited partnership losses transferred on an amalgamation or the windup of a subsidiary Limited partnership losses transferred on an amalgamation or the windup of a subsidiary Current-year limited partnership losses applied (cannot exceed column 650) | | | |

Total (enter this amount on line 335 of the T2 return)

Non-Capital Loss Continuity Workchart

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

| | | | | Loss | Applied t | o reduce | _ |
|----------------------|------------------------------------|-------------------------------------|---------------------------|---------------------------------|----------------|----------------|------------------------|
| Year of origin | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | 157,321 | | | N/A | | 157,321 |
| 2005 | 344,575 | N/A | | N/A | | | 344,575 |
| 2004 | 225,765 | N/A | | N/A | | | 225,765 |
| 2003 | | N/A | | N/A | | | |
| 2002 | | N/A | | N/A | | | |
| 2001 | | N/A | | N/A | | | |
| 2000 | | N/A | | N/A | | | |
| 1999 | | N/A | | N/A | | | |
| Total | 570,340 | 157,321 | | | | | 727,661 |

| | | Loss | | Loss | Applied t | o reduce | = | |
|----------------------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------|----------------|------------------------|--|
| Year of origin | Balance at beginning of year | incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year | |
| urrent | N/A | | | | N/A | | | |
| 2005 | | N/A | | N/A | | | _ | |
| 2004 | | N/A | | N/A | | | | |
| 2003 | | N/A | | N/A | | | | |
| 2002 | | N/A | | N/A | | | | |
| 2001 | | N/A | | N/A | | | | |
| 2000 _ | | N/A | | N/A | | | | |
| 1999 | | N/A | | N/A | | | | |
| 1998_ | | N/A | | N/A | | | | |
| 1997 | | N/A | | N/A | | | | |
| 1996 | | N/A | | N/A | | | | |

| | | Loss | | Loss | Applied t | o reduce | _ |
|----------------------|------------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------|----------------|------------------------|
| Year of origin | Balance at beginning of year | incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | | | | N/A | N/A | |
| 2005 | | N/A | | N/A | | N/A | |
| 2004 | | N/A | | N/A | | N/A | |
| 2003 | | N/A | | N/A | | N/A | |
| 2002 | | N/A | | N/A | | N/A | |
| 2001 | | N/A | | N/A | | N/A | |
| 2000 | | N/A | | N/A | | N/A | |
| 1999 | | N/A | | N/A | | N/A | |
| 1998 | | N/A | | N/A | | N/A | |
| 1997 | | N/A | | N/A | | N/A | |
| 1996 | | N/A | | N/A | | N/A | |
| Total | | | | | | N/A | |

^{*} This balance expires this year and will not be available next year.

(line 403 of

Schedule 1)****

217

237.793

237.793

213

0

212

5.944.817

5.944.817

215

Canada Revenue Agence
Agency du Cana

Building and Transfo

200

Agence du revenu du Canada

SCHEDULE 8

column 11)

220

5,707,024

5.707.024

CAPITAL COST ALLOWANCE (CCA)

| ame of corporation | | | | | | | Busin | Business Number | | ear end Month Day | | |
|---|---|--|--|----------------------|---|---|--|------------------|--|--|---|---|
| Niagara West Transformation Corporation | | | | | | | | 87681 | 9301 RC0001 | | 2006-12-31 | |
| For more info | For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide. | | | | | | | | | | | |
| Is the corpora | Is the corporation electing under regulation 1101(5q)? 101 1 Yes 2 No X | | | | | | | | | | | |
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Class number | Description | Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last | Cost of acquisitions during the year (new property must be available for use)* | Net adjustments** | Proceeds of dispositions during the year (amount not to exceed the capital cost) | 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** | Reduced undepreciated capital cost | CCA rate % | Recapture of capital cost allowance (line 107 of Schedule 1) | Terminal loss (line 404 of Schedule 1) | Capital cost allowance (column 7 multiplied by column 8; or a lower amount) | Undepreciated capital cost at the end of the year (column 6 plus column 7 minus |

0

211

207

* 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).

203

205

- ** Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.
- *** The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, Capital Cost Allowance General Comments.
- **** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

year)

201

Total

5.944.817

5.944.817

T2 SCH 8 (06) Canadä



Agence du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

| Name of corporation | Business Number | Tax year end Year Month Day |
|---|-------------------|--------------------------------|
| Niagara West Transformation Corporation | 87681 9301 RC0001 | 2006-12-31 |

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

| | | Provide only o | Provide only one number per shareholder | | | | |
|----|---|-------------------|---|--------------|--------------------------------|-----------------------------------|--|
| | Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) | Business Number | Social insurance number | Trust number | Percentage common shares | Percentage preferred shares | |
| | 100 | 200 | 300 | 350 | 400 | 500 | |
| 1 | Niagara Power Inc. | 86880 5920 RC0001 | | | 50.000 | | |
| 2 | Peninsula West Power Inc. | 89108 9419 RC0001 | | | 50.000 | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |

T2 SCH 50 (06) Canadä



Ministry of Finance

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

2006

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF) Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) 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 MGS 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 -

| MGS Annual Return Required? (Not required if already find Annual Return exempt. F | | No Page | 1 of 20 | |
|---|--|----------------------------|--------------|---|
| Corporation's Legal Name (including punctuation) | | | | Ontario Corporations Tax Account No. (MOF |
| | | | | 1800380 |
| Niagara West Transformation Corporation | | | | This Return covers the Taxation Year |
| Mailing Address | | | | Start year month day 2006-01-01 |
| 4548 Ontario Street | | | | year month day |
| Beamsville | | | | 2006-12-31 |
| ON CA LOR 1B5 | | | | |
| Has the mailing address changed since last filed CT23 Return? | Date of Change | year month | day | Date of Incorporation or Amalgamation year month day |
| Registered/Head Office Address | + | | | 2003-09-05 |
| 4548 Ontario Street | | | | |
| 4040 Official Street | | | | Ontorio |
| Beamsville | | | | Ontario Corporation No. |
| ON CA LOR 1B5 | | | | (MGS) 1586499 |
| Location of Books and Records | | | | |
| | | | | |
| 4548 Ontario Street | | | | Canada Revenue Agency Business No. |
| Beamsville | | | | If applicable, enter |
| ON CA LOR 1B5 | | | | 87681 9301 RC0001 |
| Name of person to contact regarding this CT23 Return | Telephone No. | Fax No. | | |
| KAREN BUBISH | (905) 563-5550 | | | Jurisdiction Incorporated Ontario |
| Address of Principal Office in Ontario (Extra-Provincial Corpo | | ! | (MGS) | |
| | , | | , , | If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: |
| | | | | year month day Commenced |
| Ontario Canada | | | | Commenced |
| | | | | year month day |
| Former Corporation Name (Extra-Provincial Corporations on | (y) Not Applicable | | (MGS) | Ceased |
| | | | | X Not Applicable |
| Information on Directors/Officers/Administrators must be | o completed on MCS | No. of Sche | dule(s) | Preferred Language / Langue de préférence |
| Information on Directors/Officers/Administrators must be Schedule A or K as appropriate. If additional space is re | | | | X English anglais French français |
| only this schedule may be photocopied. State number s | ubmitted (MGS). | | | Ministry Use |
| If there is no change to the Directors'/Officers'/Adminis submitted to MGS, please check (X) this box. Schedule | | usly ed (MGS). | No Change | |
| | Certifica | tion (MGS) | | |
| I certify that all information set out in the Annu Name of Authorized Person (<i>Print clearly or type in full</i>) KAREN BUBISH | | • | | |
| Title: Director X Officer Other inc Of the Co Note: Sections 13 and 14 of the Corporations Inform | dividuals having knowledge orporation's business activitie mation Act provide pena | s Ilties for making fal | se or misle | ading statements or omissions. |

1800380

2006-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

| e of corporation | |
|---|---|
| e of corporation 1 | This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.) Amended Return Taxation year end change – Canada Revenue Agency approval required Final taxation year up to dissolution (Note: for discontinued businesses, see guide.) Final taxation year before amalgamation The corporation has a floating fiscal year end There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario There was an acquisition of control to which subsection 249(4) of the federal Income Tax Act (ITA) applies since the previous taxation year If checked, date control was acquired The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were |
| Bank s.1(2) Loan and Trust corporation s.61(4) Non-resident corporation s.2(2)(a) or (b) Non-resident corporation s.2(2)(c) Mutual Fund corporation s.48 | received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.) First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.) Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations) |
| Non-resident owned Investment corporation s.49 Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b) Bare Trustee corporation Financial institution prescribed by Regulation only Investment Dealer Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale Hydro successor, municipal electrical utility or subsidiary of either | Yes No X Was the corporation inactive throughout the taxation year? X Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency? Are you requesting a refund due to: X the Carry-back of a Loss? X an Overpayment? X a Specified Refundable Tax Credit? X Are you a member of a Partnership or Joint Venture? |
| Producer and seller of steam for uses other than for the generation of electricity Insurance Exchange s.74.4 Farm Feeder Finance Co-operative corporation Professional corporation (incorporated professionals only) | Complete if applicable Ontario Retail Sales Tax Vendor Permit no. (Use head office no.) Specify major business activity Ontario Employer Health Tax Account no. (Use head office no.) |

Income Tax CT23 Page 4 of 20

| Allocation – If you carry on a business th portion of taxable income deemed earned | | | | ou may allocate | that | | DOLLARS ONLY |
|--|--|--|-----------------------------------|-------------------------------|------------|-----------------|--------------|
| Net Income (loss) for Ontario purposes (p | per reconciliation schedule, page 15) | | | | ± | From 690 | -157,321 |
| Subtract: Charitable donations | | | | | | 1 | |
| Subtract: Gifts to Her Majesty in right of C | Canada or a province and gifts of cultural | I property (Attac | h schedule 2 | 2) - | | 2 | |
| Subtract: Taxable dividends deductible, p | | | | , | | 3 | |
| Subtract: Ontario political contributions (A | | | | | | 4 | |
| Subtract: Federal Part VI.1 tax | • x 3 | | | | | 5 | |
| Subtract: Prior years' losses applied – | Non-capital losses | | | | | From 704 | |
| | From 715 | | inclusion | | | <u> </u> | |
| | Net capital losses (page 16) | _ x | | 50.000000 % | = _ | 714 | |
| | Farmlosses | | | | | From 724 | |
| | Restricted farm losses | | | | | From 734 | |
| | Limited partnership losses - | | | | | From 754 | |
| Taxable Income (Non-capital loss) | | | | | = | 10 | -157,321 |
| Addition to taxable income for unused for | eign tax deduction for federal purposes | | | + 11 | | | |
| | 1 (if 10 is negative, enter 11) | | | = 20 | | • | |
| - | , , , , | | | | | | |
| | | | | r of Days in Tax | ation Year | | |
| Taxable Income | | | and before | Dec. 31, 2002 Jan. 1, 2004 | Total Days | | |
| From 10 (or 20 if applicable) | • X 30 100.0000 % | x 12.5 % | х 33 | ÷ 73 | 365 | = + 29 | |
| | Ontario Allocation | | Davs after | Dec. 31, 2003 | Total Days | | |
| From [10] / [00] 1/ 1/ 1/ 1/ | Y [35] 100 0000 01 | V | | | _ | | |
| From 10 (or 20 if applicable) | x 30 100.0000 % Ontario Allocation | X 14 % | X [34]_ | 365 ÷ 73 | | = + 32 | |
| Income Tax Payable (before deduct | | | | | | = 40 | |
| If this section is not completed, the II Did you claim the federal Small Busin federal Small Business Deduction had | ess Deduction (fed.s.125(1)) in the ta | | | | | Y | es X No |
| * Income from active business carried on | in Canada for federal nurnoses (fed s. 1) | 25(1)(2)) | | - 50 | | | |
| | | | | 50 | | • | |
| Federal taxable income, less adjustment | | + 51 | | <u>.</u> | | | |
| • | , | + 52 | • | <u></u> | | | |
| Subtract: Losses of other years deducted | for Ontario purposes (s.34) | _ <u>53</u> | | 54 | | | |
| Federal Business limit (line 410 of the T2 | Return) for the year | = | • | 54 | | • | |
| before the application of fed.s.125(5.1) | | 55 | 300,000 | | | | |
| Ontario Business Limit Calculation | | | | | | | |
| | | | | | | | |
| Days after Dec. 31, 2002 and before Jan. 1, 2004 | | | | | | | |
| 320,000 x 31 ÷ ** 3 | 65 = + 46 | | | | | | |
| Days after Dec. 31, 2003 | | | | | | | |
| 400,000 x 34 365 ÷ ** 3 | 65 | Percentage Busine (from T2 Sc Enter 1 | ss limit hedule 23). 00% if | | | | |
| Business Limit for Ontario purposes 46 + 47 | = 44 400,000 ● | x 48 10 | 0.0000 % | = 45 | 400,000 |) • | |
| Income eligible for the IDSBC - | | om 30 10 | 0.0000 % | x 56 | | • = 60 | _ |
| | Fro | | tario Allocatio | | of 50 . 5 | 4 or 45 | |
| | | | | | , | | |
| * Note: Modified by s.41(6) and (7) fo | or corporations that are members of a pa | artnership. (Ref | er to Guide.) | | | | |
| • | ing taxation year and use 366 for a leap | , , | | | | | |

*** Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

Niagara West Transformation Corporation

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2006-12-31

Income Tax continued from Page 4

Number of Days in Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days Calculation of IDSBC Rate 7 % Х 31 ÷ | 73 + 89 365 Days after Dec. 31, 2003 Total Days 8.5 % Х 34 365 365 + 90 8.5000 8.5000 89 + 90 IDSBC Rate for Taxation Year = | 78 8.5000 | % From 60 = 70 Claim From 78

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 400,000 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.

> > 116

115

(If negative, enter nil) - - - - - - - - - - - = 86

400,000

+ 82

- 114

400,000 •

^{*} 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 7

| | DOLLARS ONL! |
|---|----------------------|
| 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 dete by regulations. | rmined |
| Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, af lepletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming that 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 materior occessing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is 0. | |
| Eligible Canadian Profits + | 120 |
| | om 56 |
| Add: Adjustment for Surtax on Canadian-controlled private corporations | |
| From | |
| esser of 56 or 121+ | 122 |
| 120 - 56 + 122= | 130 |
| | |
| Taxable Income + From the Income | rom 10 -157,321 ● |
| Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) | rom 56 |
| Add: Adjustments for Surtax on Canadian-controlled private corporations + From the Property of the Property | om 122 |
| Subtract: Taxable Income 10 X Allocation % to jurisdictions outside Canada % | 140 |
| Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses | 141 |
| 10 - 56 + 122 - 140 - 141 = | 142 |
| | 142 |
| Number of Days in Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | |
| | + 154 |
| Lesser of 130 or 142 Ontario Allocation | + 154 |
| Days after Dec. 31, 2003 Total Days | [] |
| 143 X From 30 100.0000 % X 2 % X 34 365 ÷ 73 365 = Lesser of 130 or 142 Ontario Allocation | + 156 |
| | |
| M&P claim for taxation year 154 + 156 | = 160 |
| Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See spe | cial rules (s.43(1)) |
| Manufacturing and Processing Profits Credit for Electrical Generating Corporations | = 161 |
| | = 101 |
| Manufacturing and Processing Profits Credit for Corporations that Produce | 400 |
| 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 fo Business Development Corporations Act) | rmer <i>Small</i> |
| Eligible Credit 175 Credit Claime | ed 180 |
| | |
| Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 | = 190 |
| | |

1800380

2006-12-31

DOLLARS ONLY

Income Tax continued from Page 6

| _ | | _ | | | |
|-----|---------|-------|---------|-----------|--------|
| Sno | roifiad | I Tav | Credits | Doforto | Cuidal |
| SUE | CHIC | ı ıax | Cieuis | rkeier to | Guidei |

| CPOSITION TO A COUNTRY TO COUNTRY | | |
|--|----------------|---|
| 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 Name of Production | | |
| eligible Canadian content film and television productions. | | |
| Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) | . [100] | |
| (Attach the original Certificate of Eligibility) | + 193 | • |
| Graduate Transitions Tax Credit (GTTC) (s.43.6) **Policy to employment of eligible unemployed post secondary graduates, for employment 194 | | |
| commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. | | |
| 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 | |
| | + [190] | • |
| 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) | + 200 | |
| (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) No. of Apprentices From 5896 | | |
| Applies to employment of eligible apprentices. | | |
| 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 | • |
| To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see Determination of Applicability section f | or 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 | | |

DOLLARS ONLY

| Total Assets of the corporation Total Revenue of the corporation | | | + 240 | 7,556,210 | • + 241 | 573,270 • |
|---|--|---------------------------|----------------|------------------------------|----------------|---------------------|
| The above amounts include the corporation's and ass | cociated corporations' share of a | any partnership(s)/joir | nt ventur | re(s) total assets and | total revenue | Э. |
| 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 | To | tal Revenue |
| | | | + 243 |] | + 244 | • |
| | | | + 245 + 247 | <u> </u> | + 246 + 248 | • |
| Aggregate Total Assets 240 + 243 + 245 + Aggregate Total Revenue 241 + 244 + 246 + | | | = 249 | 7,556,210 | | 573,270 • |
| Determination of Applicability | | | | | | |
| | 0,000 or Total Revenue 250 | exceeds \$10.000.000. | | | | |
| Short Taxation Years – Special rules apply for determany fiscal period of any partnership(s)/joint venture(s) | | | | | | |
| Associated Corporation – The total assets or total re on or before the date of the claiming corporation's taxa | • | ns is the total assets or | total rev | enue for the taxation | year ending | |
| If CMT is applicable to current taxation year, complete | section Calculation: CMT belo | ow and Corporate Min | imum T | ax Schedule 101. | | |
| Calculation: CMT (Attach Schedule 101.) | | | | | | |
| Gross CMT Payable CMT Base From | n Schedule 101 2136 If negative, 6 | x From 30 | | 0.0000 % X 4 % io Allocation | = 276 | • |
| Subtract: Foreign Tax Credit for CMT purposes (Attack Subtract: Income Tax | ch Schedule) | | | | 277 | • |
| | | | | | -rom [190] | • |
| Net CMT Payable (If negative, enter Nil on Page 1 | 7.) | | | = | 280 | • |
| If 280 is less than zero and you do not have a CM | Credit carryover, transfer 23 | from Page 7 to Inc | ome Ta | x Summary, on Pag | e 17. | |
| If $\ \ \boxed{280} \ $ is less than zero and you have a CMT credit | carryover, complete A & B belo | w. | | | | |
| If 280 is greater than or equal to zero, transfer 23 Credit Carryovers. | to Page 17 and transfer 2 | to Page 17, and to | Part 4 | of Schedule 101: Co | ontinuity of | СМТ |
| CMT Credit Carryover available From S | Schedule 101 | | | F | rom 2333 | • |
| Application of CMT Credit Carryovers | | | | | | |
| A. Income Tax (before deduction of specified cred | its) | | | + | From 190 | • |
| Gross CMT Payable | | + From 276 | | • | | |
| Subtract: Foreign Tax Credit for CMT purposes If 276 - 277 is negative, enter NIL in 290 | | From 277 | | <u>•</u> • – | 290 | • |
| Income Tax eligible for CMT Credit | | | | = | 300 | • |
| B. Income Tax (after deduction of specified credits |) | | | + | From 230 | • |
| Subtract: CMT credit used to reduce income tax | es | | | | 310 | • |
| income lax | | | | = | 320 | Transfer to page 17 |
| If A & B apply, 310 cannot exceed the lesser of | 230 , 300 and your CM7 | credit carryover ava | ilable | 2333 . | | |
| If only B applies, 310 cannot exceed the lesser | of 230 and your CMT cred | lit carryover available | 2333 |]. | | |

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

Corporation's Legal Name

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

480 *and*

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

Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)

Total Eligible Investments

continued on Page 10

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(2)(a) or 2(2)(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 ca | apital stock (Int.B. 3012R and 3015R) + 350 | 2,400,100 • |
| • | earnings (if deficit, deduct) (Int.B. 3012R) | -1,060,633 • |
| | d other surpluses, excluding appraisal surplus (Int.B.3012R) | • |
| | advances (Attach schedule) (Int.B. 3013R) + 353 | 5,732,000 • |
| Bank loans | s (Int.B. 3013R) + 354 | • |
| Bankers ac | cceptances (Int.B. 3013R) + 355 | • |
| Bonds and | I debentures payable (Int.B. 3013R) | • |
| | spayable (Int.B. 3013R) + 357 | • |
| | payable (Int.B. 3013R) + 358 | • |
| | redits (including income tax reserves, and deferred revenue where it would also d in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R) | 397,000 • |
| Contingent | t, investment, inventory and similar reserves (Int.B. 3012R) | • |
| Other rese | rves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R) | • |
| Share of pa | artnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R) | • |
| Subtotal | = 370_ | 7,468,467 • |
| Subtract: | Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R) | 1,203,881 • |
| | Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R) | • |
| Total Paid | I-up Capital = 380 | 6,264,586 |
| Subtract: | Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R) 381 | • |
| Net Paid | 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 | 6,264,586 |
| Eligible | Investments (Refer to Guide and Int.B. 3015R) | |
| | nputations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) of 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. | |
| | n notes and similar obligations, (similar obligations, e.g. stripped upons, applies to taxation years ending after October 30, 1998) + 402 | • |
| Mortgages | due from other corporations + 403 | • |
| Shares in o | other corporations (certain restrictions apply) (<i>Refer to Guide</i>) + 404 | • |
| Loans and | advances to unrelated corporations + 405 | • |
| Eligible loa | ans and advances to related corporations (certain restrictions apply) (Refer to Guide) + 406 | • |

+ 407

= 410

| Capital Tax | Continued from Page 9 | CT23 | Page 10 of 20 |
|-----------------------------|--|----------------|----------------------------|
| Total Assets | (Int.B. 3015R) | | DOLLARS ONLY |
| Total Assets per b | | + 420 | 7,556,210 • |
| Mortgages or othe | r liabilities deducted from assets | + 421 | • |
| Share of partnersh | ip(s)/joint venture(s) total assets (Attach schedule) | + 422 | |
| Subtract: Investme | ent in partnership(s)/joint venture(s) | - 423 | |
| Total Assets as a | · · · <u></u> | = 430 | 7,556,210 • |
| | and 361 (if deducted from assets) | + 440 | |
| | sin 371, 372 and 381 | – 441 | 1,203,881 • |
| Subtract: Appraisa | | - 442 - 442 | <u></u> |
| Total Assets | ther adjustments (specify on an attached schedule) | ± 443 = 450 | |
| | | | 0,002,027 |
| | llowance (410 ÷ 450) x 390 Not to exceed 410 | = 460 | |
| Taxable Capi | tal 390 – 460 | = 470 | 6,264,586 |
| Gross Revenu | (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 | | 573,270 • |
| Total Assets (a | s adjusted) | | 7,556,210 🖜 |
| | | | |
| Calculatio | n of Capital Tax for all Corporations except Financial Institutions | | |
| | ion (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 20 | 03. | |
| | use calculations on page 13. | | |
| Important: | If the corporation is a family farm corporation, family fishing corporation or a credit union that is n | ot a Fina | ancial |
| | Institution, complete only Section A below. | | |
| OR | If the corporation is not a member of an associated group and/or partnership, complete Section B only the Capital Tax calculations in Section C below, selecting and completing the one specific sul applies to the corporation. | | |
| OR | If the corporation is a member of an associated group and/or partnership, complete Section B belon page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation connected partnership, please refer to the CT23 Guide for additional instructions before completing | n is a m | Section D ember of a |
| | Capital Tax section. | guie | |
| SECTION A | | | |
| This section applie | es only if the corporation is a family farm corporation, a family fishing | | _ |
| | edit union that is not a Financial Institution (Int.B. 3018). | | |
| | on page 12 and complete the return from that point. | | |
| SECTION B | | | |
| Calculation of Ta | xable Capital Deduction (TCD) Number of Days in Taxation Year | | |
| | Days before Jan. 1, 2005 Total Days | | |
| | $5,000,000 X \boxed{35} \div \boxed{73} \boxed{365} \boxed{} = + \boxed{500} \boxed{}$ | | • |
| | Days after Dec. 31, 2004 Total Days and before Jan. 1, 2006 | | |
| | $7,500,000 \times \boxed{36} \div \boxed{73} 365 = + \boxed{501}$ | | • |
| | Days after Dec. 31, 2005 Total Days | | |
| | and before Jan. 1, 2007 | 0 000 00 | |
| | | 0,000,000 | |
| SECTION C | Taxable Capital Deduction (TCD) $\boxed{500} + \boxed{501} + \boxed{502} = \boxed{503} $ | 0,000,000 | <u>) •</u> |
| | es if the corporation is not a member of an associated group and/or partnership. | | |
| | | | |
| C1. If 430 a | nd 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that po | oint. | |
| C2. If Taxable C | apital 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 C and comple | apital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from the return from that point. | to 543 | on page 12, |
| + From 470 | 6,264,586 ● | | |
| - From 503 | | | |
| = 471 | x From 30 100.0000 % x 0.3 % x 555 365 | = + 523 | • |
| | Ontario Allocation 365 (366 if leap year) | Transfer to | 543 on page 12 and |
| continued on Pa | | | the return from that point |

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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

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.

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

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

Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc.

+ 531 + 532 + 533 = 540

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 X From 503 ÷ From 540 = 541 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.

Capital Tax Calculation continued from Page 11

| SECTION E |
|---|
| This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate [axable Capital 540] on page 11 exceeds the TCD 503 on page 10. |
| Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point. |
| + From 470 |
| SECTION F |
| This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election |
| + From 470 X From 30 100.0000 % X 0.3 % = + 561 Ontario Allocation |
| - Capital tax deduction from 995 relating to your corporation's Capital Tax deduction, on Schedule 591 From 995 = 562 ● |
| Days in taxation year Capital Tax * 365 (366 if leap year) Total Capital Tax for the taxation year * 365 (366 if leap year) Transfer to 543 and complete the return from that point |
| If floating taxation year, refer to Guide. |
| |
| Capital Tax before application of specified credits = 543 Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) 546 • |
| Capital Tax 543 - 546 (amount cannot be negative) = 550 Transfer to Page 17 |

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Niagara West Transformation Corporation

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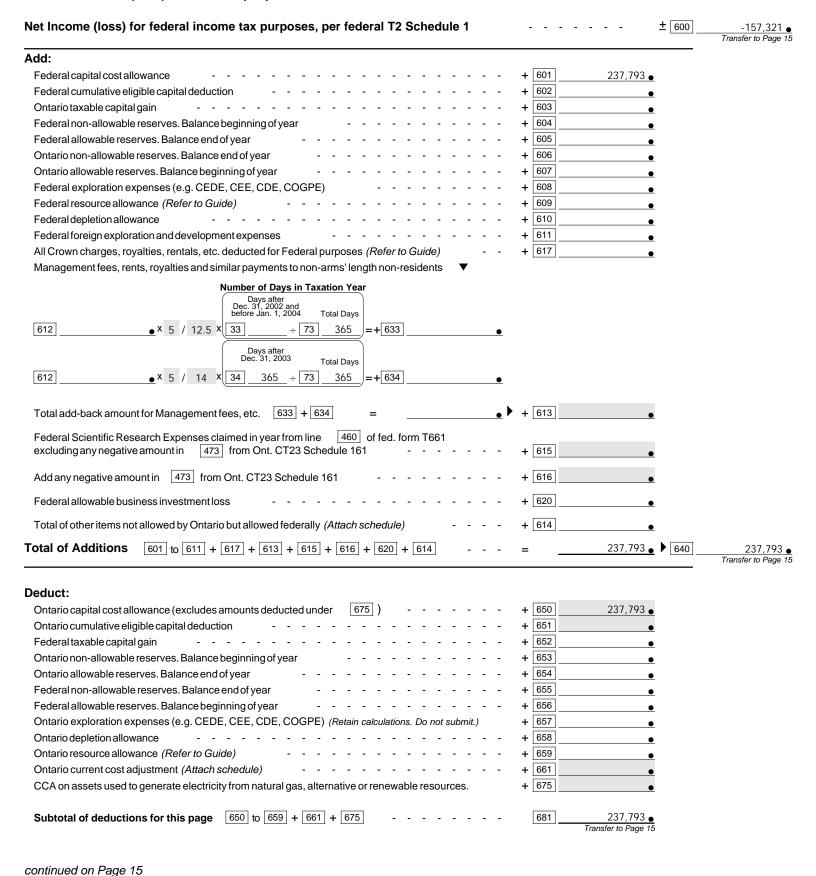
Capital Tax continued from Page 12

Calculation of Capital Tax for Financial Institutions

| 1 1 | Credit Unions only | |
|-------|--|-----------------------------------|
| | axation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point. | |
| 1.2 | Other than Credit Unions | |
| | ain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.) | |
| | Days in taxation year | |
| 565 | Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1 | + 569 |
| 570 | Days in taxation year Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount Days in taxation year Solution Sol | + 574 |
| | oating taxation year, refer to Guide. | = 575 |
| 2. 8 | Small Business Investment Tax Credit | |
| | ain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.) | |
| Allov | vable Credit for Eligible Investments | – 585 |
| Fina | ncial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) | |
| Сар | oital Tax - Financial Institutions 575 - 585 | = 586 Transfer to 543 on Page 12 |
| Pre | emium Tax (s.74.2 & 74.3) (Refer to Guide) | |
| (1) | Uninsured Benefits Arrangements | = 588 |
| (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. | |
| Ded | uct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) | _ [589] |
| Pre | mium Tax 588 – 589 | = 590 Transfer to page 17 |

CORPORATE TAXPREP - 2006 CT23 - 2006 V.2.1 - 070A

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



Net income (loss) for Ontario Purposes

| Niagara West Transformation | Corporation | 1800380 | 2006-12- | 31 | DOLLARS ONLY |
|---|--------------------------|--|----------------|---------------|--------------|
| Reconcile net income (loss for Ontario purposes if am continued from Page 14 | , | me tax purposes with net | income (loss) | | |
| Net Income (loss) for federal income | tax purposes, per federa | Schedule 1 | | From ± 600 | -157,321 |
| Total of Additions on page 14 | | | | From = 640 | 237,793 |
| Sub Total of deductions on page 14 | | | - From = 681 | 237,793 • | |
| Deduct: | | | | | |
| Ontario New Technology Tax Inc (Applies only to those corporations | | | xation year.) | | |
| Capital Cost Allowance (Ontario) (Cintellectual property deducted in the | | fying 662 | <u>•</u> | | |
| ONTTI Gross-up deduction calcu | ulation: | | | | |
| Gross-up o 662 | 100 rom 30 100.00 | | <u>●</u> = 663 | • | |
| Workplace Child Care Tax Incen (Applies to eligible expenditures in | ` ' | | | | |
| Qualifying expenditures: | [665] | x 30 % X 100 From 30 10 Ontario allo | 00.0000 | • | |
| Workplace Accessibility Tax Inc (Applies to eligible expenditures in | | . 2005.) | | | |
| Qualifying expenditures: | [667] | x 100 % x 100 | 00.0000 | • | |
| Number of Employees accommoda | ted 669 | | | | |
| Ontario School Bus Safety Tax I (Applies to the eligible acquisition after May 4, 1999 and before Janua | of school buses purchas | | | | |
| Qualifying expenditures: | [670] | x 30 % X 100 From 30 10 Ontario allo | 00.0000 | • | |
| Educational Technology Tax Inc (Applies to eligible expenditures in | | , 2005.) | | | |
| Qualifying expenditures: | 672 | • X 15 % X 100 From 30 10 Ontario allo | 00.0000 | • | |
| Ontario allowable business inve | stment loss - | | + 678 | <u> </u> | |
| Ontario Scientific Research Exp | enses claimed in year i | n 477 from Ont. CT23 Schedu | le 161 + 679 | • | |
| Amount added to income federa federal form T661, line 454 or 45 | | | + 677 | • | |
| Total of other deductions allowe | ed by Ontario (Attach so | hedule) | + 664 | | |
| Total of Deductions 681 + 66 | 63 + 666 + 668 + 671 | + 673 + 678 + 679 + 677 + | <u> </u> | 237,793 • 680 | 237,793 |

600 + 640 - 680

= 690

-157,321 ● Transfer to Page 4

Continuity of Losses Carried Forward

DOLLARS ONLY

| | | Non-Capital Losses (1) | Total Capital Losses | Farm Losses | Restricted Farm Losses | Listed Personal Property Losses | Limited Partnership Losses (6) |
|-----------|--|----------------------------|-------------------------|--------------------|------------------------|------------------------------------|-----------------------------------|
| Balance a | t Beginning of Year | 700 (2) 570,340 | 710 (2) | 720 (2) | 730 | 740 | 750 |
| Add: | Current year's losses (7) | 701 157,321 | 711 | 721 | 731 | 741 | 751 |
| | Losses from predecessor corporations (3) | 702 | 712 | 722 | 732 | | 752 |
| Subtotal | | 703 157,321 | 713 | 723 | 733 | 743 | 753 |
| Subtract: | Utilized during the year to reduce taxable income | 704 (2) | 715 (2) (4) | 724 (2) | 734 (2) (4) | 744 (4) | 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 | |
| Subtotal | , , | 707 | 717 | 727 | 737 | 747 | 757 |
| Balance a | t End of Year | 709 ⁽⁸⁾ 727,661 | 719 | 729 | 739 | 749 | 759 |

Analysis of Balance at End of Year by Year of Origin

| | Year of Origin (oldest year first) | Non-Capital Losses | Non-Capital Losses of Predecessor | Total Capital Losses from Listed Personal | Farm Losses | Restricted Farm Losses |
|-------------------|--|--------------------|-----------------------------------|---|-------------|------------------------|
| | year month day | | Corporations | Property only | | 203303 |
| 800 | 9th preceding taxation year | 817 (9) | 860 (9) | | 850 | 870 |
| \longrightarrow | 1997-12-31 | | | | | |
| 801 | 8th preceding taxation year | 818 (9) | 861 (9) | | 851 | 871 |
| | 1998-12-31 | | | | | |
| 802 | 7th preceding taxation year | 819 (9) | 862 (9) | | 852 | 872 |
| | 1999-12-31 | | | | | |
| 803 | 6th preceding taxation year | 820 | 830 | 840 | 853 | 873 |
| | 2000-12-31 | | | | | |
| 804 | 5th preceding taxation year | 821 | 831 | 841 | 854 | 874 |
| 805 | 2001-12-31 4th preceding taxation year | [000] | 832 | 842 | [055] | 875 |
| [805] | 2002-12-31 | 822 | 632 | 842 | 855 | [675] |
| 806 | 3rd preceding taxation year | 823 | 833 | 843 | 856 | 876 |
| | 2003-12-31 | | | | | |
| 807 | 2nd preceding taxation year | 824 | 834 | 844 | 857 | 877 |
| | 2004-12-31 | 225,765 | | | | |
| 808 | 1st preceding taxation year | 825 | 835 | 845 | 858 | 878 |
| | 2005-12-31 | 344,575 | | | | |
| 809 | Current taxation year | 826 | 836 | 846 | 859 | 879 |
| | 2006-12-31 | 157,321 | | | | |
| Total | | 829 | 839 | 849 | 869 | 889 |
| · Otal | | 727,661 | | | | |

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.
- Include non-capital losses incurred in taxation years ending after March 22, 2004.

Application of Losses

Total amount of loss

Non-Capital Losses

157,321

910

Restricted Farm

Losses

940

Niagara West Transformation Corporation

1800380

2006-12-31

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,

Total Capital Losses

920

- 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.

930

Farm Losses

 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.

| Deduct: Loss to be carried back to preceding taxation and applied to reduce taxable income | years | | | | |
|--|--|--|---|--|------------------------|
| Predecessor Ontario Corporation's Tax Account No. (MOF) | Taxation Year Ending year month day | 044 | 004 | 004 | 044 |
| 901 | | 911 | 921 | 931 | 941 |
| i) 3 rd preceding | 2003-12-31 | 912 | 922 | 932 | 942 |
| ii) 2 nd preceding | 2004-12-31 | | | | |
| iii) 1st preceding | 2005-12-31 | 913 | 923 | 933 | 943 |
| Total loss to be carried back | | From 706 | From 716 | From 726 | From 736 |
| Total loss to be carried back | | | | | |
| Balance of loss available for carry-forward | I | 157,321 | 929 | 939 | 949 |
| Summary | | Certification | on | | |
| IncomeTax + From 230 or | 320 | Lam an authorize | nd signing officer of th | e corporation. I certify | that this CT23 |
| Corporate Minimum Tax + From | 280 | return, including | all schedules and sta | tements filed with or as is a true, correct and c | s part of this CT23 |
| CapitalTax + From | 550 | that the information | on is in agreement wit | th the books and recordents accurately reflect | ds of the corporation. |
| PremiumTax + From | 590 | position and oper | ating results of the co | rporation as required | under section 75 of |
| Total Tax Payable = [| 950 | is consistent with | that of the previous y | of computing income ear, except as specific | |
| Subtract: Payments | 960 4,770 | statement attache | ed. | | |
| Capital Gains Refund (s.48) | 965 | Name (please pri | nt) | | |
| Trust Tax Grount (Tierer to Guide) | 985 | KAREN BUBIS | SH | | |
| Specified Tax Credits (Refer to Guide) | 955 | Title |) i i | | |
| Other, specify | | OFFICER | | | |
| Balance = | 970 -4,770 | Full Residence A | ddress | | |
| If payment due Enclosed* | 990 | • | | | |
| If overpayment: Refund (Refer to Guide) - = | 975 4,770 | • | | | |
| year month day | | | | | |
| Apply to | 980 (Includes credit interest | Signature | | Date | |
| * Make your cheque (drawn on a Canadian financial order in Canadian funds, payable to the Minister o your Ontario Corporation's Tax Account No. (MOF cheque or money order. (Refer to Guide for other page 1) | f Finance and print) on the back of | | of the <i>Corporations</i> tements or omissions | Tax Act provides pena | lties for making false |

Corporate Minimum Tax (CMT) CT23 Schedule 101

| CT23 Schedule 101 | | | |
|---|---------------|-----------------------------------|-------------------|
| Corporation's Legal Name | Ontario Co | orporations Tax Account No. (MOF) | Taxation Year End |
| Niagara West Transformation Corporation | | 1800380 | 2006-12-31 |
| Part 1: Calculation of CMT Base Banks – Net income/loss as per report accepted by Superintendent of Fir under the Bank Act (Canada), adjusted so consolidation/equity methods a Life insurance corporations – Net income/loss before Special Additional | are not used. | | |
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) | | ± 210 | -102,322 |
| Subtract (to the extent reflected in net income/loss): | | | 102,322 |
| Provision for recovery of income taxes / benefit of current income taxes Provision for deferred income taxes (credits) / benefit of future | s + 2101 | • | |
| income taxes | + 2102 | 17,000 • | |
| Equity income from corporations | + 2103 | • | |
| Share of partnership(s)/joint venture(s) income | + 2104 | • | |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | • | |
| 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, | | | |
| | + 2109 | • | — |
| Subtotal | = | 17,000 ▶ - 2110 | 0 17,000 • |
| Add (to extent reflected in net income/loss): | | | |
| Provision for deferred income taxes (debits) / cost of future | + 2111 | 19,000 • | |
| income taxes | | • | |
| Equity losses from corporations | | • | |
| Share of partnership(s)/joint venture(s) losses | | • | |
| Dividends that have been deducted to arrive at net income per Financia | | | |
| 7,000 | + 2115 | 19,000 + 2110 | 6 19,000 |
| Add/Subtract: | _ | | 3 19,000 ● |
| Amounts relating to s.57.9 election/regulations for disposals etc. of pro- | · · | ent/prior years | |
| | or – 2118 | • | |
| ** Fed.s.85.1 | or – 2120 | • | |
| | 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) | 01 - 2124 | <u> </u> | |
| as prescribed in regulations for current/ | | | |
| prior years | or – 2126 | • | |
| ** Amounts relating to s.57.10 election/ regulations for replacement re fed.s13(4), | | | |
| () | 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) |] | + 212 | 9 |
| Subtotal (Subtractions) | = [| ▶ - 213 | |
| ** Other adjustments | _ | | |
| • | | | |
| ** Share of partnership(s)/joint venture(s) adjusted net income/loss | | = 213: 213: | 3 |
| Adjusted net income (loss) (if loss, transfer to 2202 in Part 2: Continuity of CM | _ | ied Forward.) = 213 | -100,322 |
| Deduct: * CMT losses: pre-1994 Loss | + From 2210 | • | |
| * CMT losses: other eligible losses | + 2211 | • ► - 213 | 5 |
| * CMT losses applied cannot exceed adjusted net income or increase a | loss | | |
| ** Retain calculations. Do not submit with this schedule. CMT Base | | = 213 | 6 |

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT) CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MC | OF) Taxation Year End |
|---|--|-----------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |
| Part 2: Continuity of CMT Losses Carried Forward | | |
| Balance at Beginning of year NOTES (1), (2) | | 2201 506,934 |
| <u>-</u> | | |
| Amalgamation (X) 2205 Yes Wind-up (X) 2206 Yes | | |
| Subtotal | = 100,322 → + 2 | 2207 100,322 • |
| Adjustments (attach schedule) | ±[| 2208 |
| CMT losses available 2201 + 2207 ± 2208 | | 2209 607,256 |
| Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) Losses expired during the year | + 2211 | |
| Subtotal | | 2213 |
| Balances at End of Year NOTE (5) 2209 - 2213 | | 2214 607,256 |

Notes:

- 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 occured, 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 2134 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 | 2260 | 2280 |
| | 1997-12-31 | | |
| 2241 | 8th preceding taxation year | 2261 | 2281 |
| | 1998-12-31 | | |
| 2242 | 7th preceding taxation year | 2262 | 2282 |
| | 1999-12-31 | | |
| 2243 | 6th preceding taxation year | 2263 | 2283 |
| | 2000-12-31 | | |
| 2244 | 5th preceding taxation year | 2264 | 2284 |
| | 2001-12-31 | | |
| 2245 | 4th preceding taxation year | 2265 | 2285 |
| | 2002-12-31 | | |
| 2246 | 3rd preceding taxation year | 2266 | 2286 |
| | 2003-12-31 | 6,264 | |
| 2247 | 2nd preceding taxation year | 2267 | 2287 |
| | 2004-12-31 | 241,960 | |
| 2248 | 1st preceding taxation year | 2268 | 2288 |
| | 2005-12-31 | 258,710 | |
| 2249 | Current taxation year | 2269 | 2289 |
| | 2006-12-31 | 100,322 | |
| Totals | | 2270 | 2290 |
| Totals | | 607,256 | |

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

Corporate Minimum Tax (CMT) CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|------------------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |
| Part 4: Continuity of CMT Credit Carryovers | | |
| | | 1 |
| Add: Current year's CMT Credit (280 on page 8 of the CT23 | | <u> </u> |
| 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. | 200 01 0 11 | |
| (Life Insurance corporations only. | | |
| Others enter NIL.)+ From 312 |] | |
| Subtract Income Tax | 2 | |
| (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 | = | 0 |
| 0.17.0 | + 2329 | |
| | | 9 |
| Amalgamation (X) 2315 Yes Wind-up (X) 2320 | Yes | |
| Subtotal 2301 + 2310 + 2325 | | |
| Adjustments (Attach schedule) | | 2 |
| CMT Credit Carryover available 2330 ± 2332 | = 2333 | 3 |
| | Transfer to Page 8 of t | the CT23 or Page 6 of the CT |
| Subtract: 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 | = | 5 |
| Balances at End of Year NOTE (4) 2333 - 2335 | = 2336 | 6 |
| Notes: | | |
| (1) Where acquisition of control of the corporation has occurred, the utilization | ation of CMT credits can be restricted. (see s. | .43.1(5)) |
| (2) The CMT credit of life insurance corporations can be restricted (see s. | , | |
| (3) Include and indicate whether CMT credits are a result of an amalgama | | up to which |
| (c) | applied all a mile | . |

- 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

| | . Analysis of Omit Or | | u Balance by Teal Of Of | | 9 | · • · · · | 19 | '9''' | igiii | 19"1 | '9''' | '9''' | '9''' | '9''' | ·9··· |
|--------|---|--------------------------------------|--|---|------|----------------------|-------------------------------|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year of Origin (oldest year first) year month day | CMT Credit Carryovers of Corporation | CMT Credit Carryovers of Predecessor Corporation(s) | | | | | | | | | | | | |
| 2340 | 9th preceding taxation year | 2360 | 2380 | l | | | | | | | | | | | |
| | 1997-12-31 | | | l | | | | | | | | | | | |
| 2341 | 8th preceding taxation year | 2361 | 2381 | I | | | | | | | | | | | |
| | 1998-12-31 | | | | | | | | | | | | | | |
| 2342 | 7th preceding taxation year | 2362 | 2382 | I | | | | | | | | | | | |
| | 1999-12-31 | | | | | | | | | | | | | | |
| 2343 | 6th preceding taxation year | 2363 | 2383 | ı | | | | | | | | | | | |
| | 2000-12-31 | | | | | | | | | | | | | | |
| 2344 | 5th preceding taxation year | 2364 | 2384 | l | | | | | | | | | | | |
| | 2001-12-31 | | | l | | | | | | | | | | | |
| 2345 | 4th preceding taxation year | 2365 | 2385 | l | | | | | | | | | | | |
| | 2002-12-31 | | | | | | | | | | | | | | |
| 2346 | 3rd preceding taxation year | 2366 | 2386 | l | | | | | | | | | | | |
| | 2003-12-31 | | | | | | | | | | | | | | |
| 2347 | 2nd preceding taxation year | 2367 | 2387 | | | | | | | | | | | | |
| | 2004-12-31 | | | | | | | | | | | | | | |
| 2348 | 1st preceding taxation year | 2368 | 2388 | | | | | | | | | | | | |
| | 2005-12-31 | | | | | | | | | | | | | | |
| 2349 | Current taxation year | 2369 | 2389 | | | | | | | | | | | | |
| | 2006-12-31 | | | | Thos | The sum of amounts | The sum of amounts 2370 ± 230 | <i>The sum of amounts</i> 2370 + 2390 | The sum of amounts 2370 ± 2390 |
| Totals | : | 2370 | 2390 | | | | | | | | | | | | |
| Totals | | | | | must | must equal amount in | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. | must equal amount in 2336. |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |

CMT Losses Carried Forward Workchart

| ┌ (i) Continuity of Pre-1994 CMT Losses ──── | | | | |
|--|---------------|-----------------------------|---------|--|
| | Corporation's | Predecessors' Pre-1994 Loss | | |
| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | Pre-1994 Loss | Amalgamation | Wind-Up | |
| 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 ──────────────────────────────────── | | | | | | | | | | |
|---|------------------------------|-----------------|------------|-----------|---------|-----------------|--|--|--|--|
| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance | | | | |
| 10th Prior Year | 1996-12-31 | | | | | | | | | |
| 9th Prior Year | 1997-12-31 | | | | | | | | | |
| 8th Prior Year | 1998-12-31 | | | | | | | | | |
| 7th Prior Year | 1999-12-31 | | | | | | | | | |
| 6th Prior Year | 2000-12-31 | | | | | | | | | |
| 5th Prior Year | 2001-12-31 | | | | | | | | | |
| 4th Prior Year | 2002-12-31 | | | | | | | | | |
| 3rd Prior Year | 2003-12-31 | 6,264 | | | | 6,264 | | | | |
| 2nd Prior Year | 2004-12-31 | 241,960 | | | | 241,960 | | | | |
| 1st Prior Year | 2005-12-31 | 258,710 | | | | 258,710 | | | | |
| | Total | 506,934 | | | | 506,934 | | | | |

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

| of the Filing Cor | poration. | | | | | |
|------------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |

CMT Losses Carried Forward Workchart (continued)

| | Corporations C | 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.

| or the rilling con | Joration. | | | | | |
|---------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|--------------------------|----------------------|--|-------------------|
| Niagara West Transf | ormation Corporation | 1800380 | 2006-12-31 |

CMT Credit Carryovers Workchart

| Filing Corporation ———————————————————————————————————— | | | | | | | | | | |
|---|------------------------------|-----------------|------------|-----------|---------|-----------------|--|--|--|--|
| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance | | | | |
| 10th Prior Year | 1996-12-31 | | | | | | | | | |
| 9th Prior Year | 1997-12-31 | | | | | | | | | |
| 8th Prior Year | 1998-12-31 | | | | | | | | | |
| 7th Prior Year | 1999-12-31 | | | | | | | | | |
| 6th Prior Year | 2000-12-31 | | | | | | | | | |
| 5th Prior Year | 2001-12-31 | | | | | | | | | |
| 4th Prior Year | 2002-12-31 | | | | | | | | | |
| 3rd Prior Year | 2003-12-31 | | | | | | | | | |
| 2nd Prior Year | 2004-12-31 | | | | | | | | | |
| 1st Prior Year | 2005-12-31 | | | | | | | | | |
| | T-4-1 | | | | | | | | | |

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.

| or the Filing Corp | poration. | | | | | |
|---------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | _ | |
| Total | | | | | | |

Predecessor Corporations Only - Wind-Up -

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|------------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| Total | | | | | | |



 Corporation's Legal Name
 Ontario Corporations Tax Account No. (MOF)
 Taxation Year End

 Niagara West Transformation Corporation
 1800380
 2006-12-31

| iniagara w | est Transforma | tion Corporation | n | | | | | | 18 | 300380 | 2006- | 12-31 |
|-----------------|--|---|--|---|---|---|---|------------------|---|---------------|--|---|
| Is the corpor | ration electing u | nder regulation | 1101(5q)? | 1 Yes | 2 X No | | | | | | | |
| 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) See note 1 below | Net adjustments (show negative amounts in brackets) | Proceeds of dispositions during the year (amount not to exceed the capital cost) | Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5) | 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below | Reduced undepreciated capital cost (column 6 minus column 7) | 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 | 5,944,817 | | | 0 | 5,944,817 | | 5,944,817 | 4 | 0 | 0 | 237,793 | 5,707,024 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
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| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Totals | 5,944,817 | | | | 5,944,817 | | 5,944,817 | | | | 237,793 | 5,707,024 |

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).

Enter in boxes 650

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.

650

650 on the CT23.

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.



Page 1 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |

This schedule is used to calculate Ontario Scientific Research and Experimental Development Expenditures (SR & ED). The rules used in the calculation of Ontario SR & ED follow the federal rules with the exception of the new Ontario measure introduced in the 2001 Ontario Budget and implemented in Bill 127 which received Royal Assent on December 5, 2001.

This schedule must be completed by all corporations performing qualified Ontario SR & ED in a "specified taxation year" or in the taxation year immediately preceding the first specified taxation year of the corporation and filed with the current CT23 or CT8. Other corporations may use this schedule, if they have claimed or are claiming a different SR & ED amount for Ontario than for federal income tax purposes.

- "Specified Taxation Year" (STY) is the taxation year of the corporation that begins after February 29, 2000 and ends after December 31, 2000.
- "Investment Tax Credit Amount" (ITC) means, in respect of a corporation for a taxation year, an amount deducted by the corporation for a preceding taxation year under subsection 127(5) or (6) of the Income Tax Act (Canada) (ITA).
- "Qualified Ontario SR & ED Expenditure" (QORD) means.
 - A. A qualified expenditure within the meaning of subsection 12(1) of the Corporations Tax Act (CTA) that is made or incurred by a corporation in a STY or in the taxation year immediately preceding the first STY of the corporation, or
 - An expenditure made or incurred by a partnership in a fiscal period that ends in a STY of a corporation if,
 - the corporation is member of the partnership at any time in the STY, and
 - the expenditure would be a qualified expenditure within the meaning of subsection 12(1) of the CTA if it were made by a corporation.
- "Ontario Allocation Factor" (OAF) has the meaning given to that expression by subsection 12(1) of the CTA.
- If a corporation includes a federal ITC amount in determining the amount of the Ontario pool of deductible SR & ED expenditures for a STY, the following amounts are adjusted by the OAF:
 - Amount of recaptured federal ITC relating to QORD for property disposed of in the preceding taxation year in 442 on page 2.
 - Amount of federal ITC relating to QORD claimed federally in the preceding taxation year(s) in 462 on page 2.
 - Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year in 465 on page 2.
- Federal ITCs earned on shared-use equipment (SUE) reduce the capital cost of the property acquired for federal and Ontario income tax purposes in the taxation year after the taxation year in which the ITC is claimed federally. The amount of the federal ITC that relates to QORD on SUE is added to the SR & ED pool for Ontario purposes in the taxation year after the taxation year in which the ITC is claimed federally.

Page 2 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|--|--|----------------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |
| Ontario Pool of Deductible SR & ED Expenditures for the current | nt taxation year | |
| Total allowable SR & ED expenditures (capital and current) (From line 400 federal T661 (T2 SCH32)) | + 400 | |
| Less: Government and non-government assistance (From line 430 federal T661 (T2 SCH32)) | | |
| Preceding year's amount of federal ITC claimed for SR & ED (From line 435 federal T661 (T2 SCH32)) | | |
| Sale of SR & ED capital assets and other deductions (From line 440 federal T661 (T2 SCH32)) | _ 440 | |
| Amount of recaptured federal ITC (From line 453 federal T661 (T2 Strelating to QORD for property disposed of in the preceding taxation | ** | |
| Gross-up for Ontario allocation factor From 442 | \div 100.0000 % = - 444 (From 30 of the CT23 or CT8) | |
| Subtotal: 400 - 430 - 435 - 440 - 444 | = 445 | |
| Add: Repayments of government and non-government assistance (From line 445 federal T661 (T2 SCH32)) | + 446 | • |
| SR & ED expenditure pool transferred on amalgamation or wind-up (From line 452 federal T661 (T2 SCH32)) |) + 452 | |
| Amount of federal ITC recaptured in the preceding taxation year (From line 453 federal T661 (T2 SCH32)) | + 453 | • |
| Preceding year's balance in pool of deductible Ontario SR & ED exp (From 480) of the preceding taxation year) | penditures + 460 | 1,476,831. |
| Federal ITC relating to QORD claimed federally in the preceding taxation year(s) | + 462 From 575 on Page 3) | |
| Amount of federal ITC relating to QORD allocated from partnership in the current taxation year | | |
| Subtotal 462 + 465 | = 468 | |
| Gross-up for Ontario allocation factor From 468 | \div 100.0000 % = + 470 (From 30 of the CT23 or CT8) | |
| Subtotal: 445 + 446 + 452 + 453 + 460 + 470 (If the amount in 473 is negative, enter zero, in 475 , 477 and a | dd 473 to 615 of the 2002 CT23 or CT8 | |
| or 616 of the 2003 or later CT23 or CT8. If the amount in 473 is | | 1,476,831. |
| Amount available for deduction | = 475 | |
| Deduction claimed in the taxation year for Ontario (Enter the SR & ED expenditure pool deduction claimed in the taxation year | in 679 of the CT23 or CT8) – 477 |] |
| Ontario current taxation year closing balance in pool of deductible SR & ED expenditures 475 - 477 | = 480 | |
| | (Transfer this | amount to 460 as the carry |

forward amount for the next taxation year.)

Page 3 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |

Calculation of <u>Preceding</u> Taxation Year Amount and Account Balances - Federal ITC from SR & ED Expenditures relating to QORD.

- This page is used to calculate the amount of the federal ITC that relates to SR & ED performed in Ontario for certain taxation years and is used to increase the amount of the Ontario SR & ED pool on page 2.
- All amounts on this page are based on the preceding taxation year since the amount of the federal ITC that relates to QORD can only be used to increase the Ontario pool for SR & ED in the current taxation year if there was a federal ITC claimed for federal purposes in the preceding taxation year that related to QORD.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership. These amounts are added to your SR & ED pool for Ontario in the taxation year that they are allocated from a partnership to a corporation, not in the year after they are claimed federally.

| Opening Balance: |
|---|
| (Enter amount 590 from Schedule 161 of the preceding taxation year, if any)+ 500 63,458. |
| Add: Amount of federal ITC earned, relating to QORD (QORD portion of line 540 federal T2 SCH31 for the preceding taxation year)+ 510 |
| Amount of federal ITC earned, relating to QORD, transferred on amalgamation or wind-up (QORD portion of line 530 federal T2 SCH31 for the preceding taxation year) + 520 |
| Subtotal: 500 + 510 + 520 |
| Deduct: Amount of federal ITC, relating to QORD, claimed federally (QORD portion of line 560 federal T2 SCH31 for the preceding taxation year)+ 540 |
| Amount of federal ITC, relating to QORD, carried back federally to a preceding taxation year(s) (QORD portion of line P federal T2 SCH31 for the preceding taxation year |
| A refund of federal ITC, relating to QORD, claimed federally (QORD portion of line 610 federal T2 SCH31 for the preceding taxation year) + 560 |
| Amount of federal ITC, relating to QORD, deemed as a remittance of co-op corporations (QORD portion of line 510 federal T2 SCH31 for the preceding taxation year) |
| Subtotal: 540 + 550 + 560 + 570 |
| Deduct: Amount of federal ITC, relating to QORD, expired per the ITA after 10 taxation years (QORD portion of line 515 federal T2 SCH31 for the preceding taxation year) |
| Closing Balance: 535 - 575 - 580 = 590 63,458 • (Transfer this amount to 500 as the opening balance for the next taxation year.) |

Page 4 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |

Continuity Schedule for Federal ITC relating to SR & ED Expenditures for the Preceding Taxation Year

- All amounts on this page are based on the preceding taxation year.
- Amounts on this page should tie into Part 11 of federal T2 SCH31 completed for the preceding taxation year.

| Yr. of Origin (Oldest yr. first) yyyy mm dd | Opening Balance | Additions | Deductions (other than amounts that were allocated from a partnership) | Deductions (only amounts that were allocated from a partnership) | Closing Balance |
|---|-----------------|-----------|--|--|-----------------|
| 1995-12-31 | | | | | |
| 1996-12-31 | | | | | |
| 1997-12-31 | | | | | |
| 1998-12-31 | | | | | |
| 1999-12-31 | | | | | |
| 2000-12-31 | | | | | |
| 2001-12-31 | | | | | |
| 2002-12-31 | | | | | |
| 2003-12-31 | 63,458 | | | | 63,458 |
| 2004-12-31 | | | | | |
| 2005-12-31 | | | | | |
| Totals | 725 | 740 | 755 | 770 | 785 |
| (see note 1, 2 and 3) | 63,458 | | | | 63,458 |

Notes:

- 1. The amount in 725 should equal the amount of the investment tax credit at the end of the preceding taxation year less line 515 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
- 2. The amount in 785 should equal the closing balance in line 620 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
- 3. It is important that the amounts in the deductions columns on this page correctly reflect the year of origin of the federal ITC claimed because only amounts relating to QORD can be used to increase the Ontario SR & ED pool.

Page 5 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2006-12-31 |

Continuity Schedule for the Amount of Federal ITC from <u>SR & ED Expenditures</u> relating to QORD for the <u>Preceding</u> Taxation Year

- This page is required to record the amount of the ITC that relates to QORD by year of origin.
- All amounts on this page are based on the preceding taxation year.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership (see text at the top of page 3).

| Yr. of Origin (Oldest yr. first) yyyy mm dd | Opening Balance | Additions | Deductions | Closing Balance |
|---|-----------------|-----------|------------|-----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 2000 12 21 | | | | |
| 2000-12-31 | | | | |
| 2001-12-31 | | | | |
| 2002-12-31 | | | | |
| 2003-12-31 | 63,458 | | | 63,458 |
| 2004-12-31 | | | | |
| 2005-12-31 | | | | |
| Totals | 825 | 840 | 855 | 870 |
| (see note 1 - 6) | 63,458 | | | 63,458 |

Notes:

- 1. The amount in 825 should equal 500 on page 3.
- 2. The amount in 840 should equal the total of 510 and 520 on page 3.
- 3. The amount in 855 should equal 575 on page 3.
- 4. The amount in 870 should equal 590 on page 3.
- 5. Any deductions that are recorded in the deduction column on this page must be taken out of the same year of origin as indicated in the deduction column on page 4. These deductions must be related to QORD and must not have been allocated from a partnership.
- 6. The amount of federal ITC relating to QORD will expire if the federal ITC it relates to expires before it is claimed federally.

Canada Revenue Agency

Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

EXEMPT FROM TAX 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 corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the federal Income Tax Act. This return may contain changes that had not yet become law at the time of printing.

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 tax year.

For more information see www.cra.gc.ca or the T2 Corporation - Income Tax Guide (T4012).

| 055 | Do not use this area |
|-----|----------------------|
| | |
| | |
| | |

| Identification — | | |
|---|---|---|
| Business Number (BN) | 87681 9301 RC0001 | |
| Has the corporation changed its name | 1 Yes 2 No X | If yes, do you have a copy of the articles of amendment? (Do not submit) 004 1 Yes 2 No |
| Address of head office Has this address changed since the last time you filed your T2 return? | 1 Yes 2 No X ovince, territory, or state ON ostal code/Zip code | To which tax year does this return apply? Tax year start 060 2007-01-01 YYYY MM DD Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? If yes, provide the date control was acquired 065 |
| Mailing address (if different from head office address Has this address changed since the last | _OR 1B5 ;) 1 Yes | Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? |
| (If yes, complete lines 021 to 028) 021 c/o 022 | | Is the corporation a professional corporation that is a member of a partnership? |
| Country (other than Canada) O26 Pc | ovince, territory, or state | Is this the first year of filing after: Incorporation? |
| Location of books and records Has the location of books and records changed since the last time you filed | 1 Yes X 2 No | Has there been a wind-up of a subsidiary under section 88 during the current tax year? |
| 031 28 LAKE ST. 032 City Pr | ovince,territory, or state | before amalgamation? |
| 035 BEAMSVILLE Country (other than Canada) Po | | Is the corporation a resident of Canada? 1 Yes X 2 No If no, give the country of residence on line 081 and complete and attach Schedule 97. |
| 1 Canadian-controlled private corporation (CCPC) 2 Other private | Corporation controlled by a public corporation | Is the non-resident corporation claiming an exemption under an income tax treaty? |
| 3 Public corporation Exempt from tax If the type of corporation changed during the tax year, provide the effective date of the change. | YYYY MM DD | If the corporation is exempt from tax under section 149, tick one of the following boxes: 1 |
| | Do not use | |
| 091 092 100 | | 094 095 096 |

| | s C | 87681 93 | 01 RC000 |
|---|--|----------|------------|
| | 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. | Vac | Schedule |
| | le the corneration related to any other cornerations? | - | |
| | Is the corporation related to any other corporations? | 150 | 9 |
| | | 160 | 23 |
| | Is the corporation an associated CCPC that is claiming the expenditure limit? | 161 | 49 |
| | Does the corporation have any non-resident shareholders? | 151 | 19 |
| | Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents | 162 | 11 |
| | If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee? | 163 | 44 |
| | Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 | 14 |
| | Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 | 15 |
| | Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? | 166 | T5004 |
| | | 167 | T5013 |
| | Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did | | 10070 |
| | not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? | 168 | 22 |
| 1 | Did the corporation have any foreign affiliates during the year? | 169 | 25 |
| | Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal Income Tax Regulations? | 170 | 29 |
| | The property of the property o | 171 | 2000000000 |
| | For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's | | T106 |
| | common and/or preferred shares? | 173 X | 50 |
| - | Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? | 172 | |
| | Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? | 201 X | 1 |
| | Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine? | 202 | 2 |
| 1 | 19.00.00 00.000.00 00.000.000.000.000.000 | 203 | 3 |
| | the supersupersupersupersupersupersupersuper | 204 | 3 |
| 1 | Is the corporation claiming any type of losses? Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment | | 4 |
| 1 | in more than one jurisdiction? | 205 | 5 |
| 1 | | 206 | 6 |
| 1 | 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 | | |
| 1 | | 207 | 7 |
| | bees the despotation have any property that to engine for dupital destruction. | 208 | 8 |
| 1 | bees the corporation have any property that to engine expiral property. | 210 | 10 |
| | | 212 | 12 |
| | is the corporation claiming received or any mile. | 213 | 13 |
| | The trie despotation claiming a particular advantage and activities activities and activities activities activities and activities activities and activities activ | 216 | 16 |
| 1 | Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? | 217 | 17 |
| | Is the corporation an investment corporation or a mutual fund corporation? | 218 | 18 |
| | Was the corporation carrying on business in Canada as a non-resident corporation? | 220 | 20 |
| | Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? | 221 | 21 |
| | | 227 | 27 |
| | | 231 | 31 |
| 1 | | 232 | T661 |
| 1 | | 233 | |
| | | 234 | |
| | The folds taxable supplies on project in the supplies of the s | 236 | 36 |
| 1 | | 237 | 37 |
| | is the corporation ordinary a current ordinary and the corporation ordinar | 238 | 38 |
| | 15 the corporation subject to grow i art vi tax on copital of interioral monatoria. | 242 | 42 |
| | io into borporation ordinary and an arrangement of the control of | 243 | 43 |
| | The the depotation despot to the transfer of t | 244 | 45 |
| | is the corporation agreement and the corporation are the corporation the corporati | 249 | 46 |
| - | For financial institutions: Is the corporation a member of a related group of financial institutions with one or | | 40 |
| 1 | more members subject to gross Part VI tax? | 250 | 39 |
| | | 253 | T1131 |
| - | | 254 | T1177 |

| Attac | nments – continued from page 2 |
|----------------|--|
| 1- 11- | Yes Schedule |
| | rporation subject to Part XIII.1 tax? |
| | orporation have any foreign affiliates that are not controlled foreign affiliates? 256 T1134-A orporation have any controlled foreign affiliates? 258 T1134-B |
| | 1109-0 |
| | |
| | CONTROL DE LA CO |
| | orporation receive a distribution from or was it indebted to a non-resident trust in the year? corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? T11145 |
| | corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? |
| | corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? |
| | orporation pay taxable dividends (other than capital gains dividends) in the tax year? |
| | corporation made an election under subsection 89(11) not to be a CCPC? |
| | corporation revoked any previous election made under subsection 89(11)? |
| Did the c | orporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its |
| | ate income pool (GRIP) change in the tax year? |
| Did the ci | orporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year? |
| Additi | ional information |
| | poration inactive? 280 1 Yes 2 No X |
| Has the n | najor business activity changed since the last return was filed? (enter yes for first-time filers) |
| What is the | ne corporation's major business activity? |
| | nplete if yes was entered at line 281) |
| If the maj | or business activity involves the resale of goods, show whether it is wholesale or retail |
| | ne principal product(s) mined, manufactured, 284 ELECTRICITY DISTRIB. 285 100.000 % |
| | structed, or services provided, giving the ate percentage of the total revenue that each |
| | r service represents. 288 |
| | |
| | propration immigrate to Canada during the tax year? 2 No X |
| Dia the co | propration emigrate from Canada during the tax year? 2 No X |
| Taxab | ole income |
| Net incon | ne or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI. |
| Deduct: | Charitable donations from Schedule 2 |
| | Gifts to Canada, a province, or a territory from Schedule 2 |
| | Cultural gifts from Schedule 2 |
| | Ecological gifts from Schedule 2 |
| | Gifts of medicine from Schedule 2 |
| | Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 |
| | Part VI.1 tax deduction * |
| | Non-capital losses of previous tax years from Schedule 4 |
| | Net capital losses of previous tax years from Schedule 4 |
| | Restricted farm losses of previous tax years from Schedule 4 |
| | Farm losses of previous tax years from Schedule 4 |
| | Limited partnership losses of previous tax years from Schedule 4 |
| | Taxable capital gains or taxable dividends allocated from a central credit union |
| | Prospector's and grubstaker's shares |
| | Subtotal B |
| Add: | Subtotal (amount A minus amount B) (if negative, enter "0") C Section 110.5 additions or subparagraph 115(1)(a)(vii) additions |
| | |
| | |
| | xempt under paragraph 149(1)(t) |
| | iount is equal to 3 times the Part VI.1 tax payable at line 724. |
| A COMMON STATE | NAMES OF THE PROPERTY AND A SECOND RESIDENCE OF THE SECOND |

| Small business deduction — | | | | | | |
|--|---|--|---------------------------|----------------------|------------------|--|
| Canadian-controlled private corporation | | | | | 400 | |
| Income from active business carried on in | | | | | 400 | l A |
| Taxable income from line 360, minus 10/ line 636**, and minus any amount that, b | 3 of the amount on line 632*, m ecause of federal law, is exemp | inus 3 times the amount on t form Part I tax | | | 405 | І В |
| Calculation of the business limit: | | | | | | |
| For all CCPCs, calculate the amount at lin | ne 4 below. | | | | | |
| 300,000 × Number of days in | | | | 1 | | |
| Number | of days in the tax year | 365 | | 100 000 | | |
| | ys in the tax year after 2006 of days in the tax year | <u>365</u> = <u> </u> | | 100,000 2 | | |
| | | Add amounts at lines 1 and 2 | | 100,000 4 | | |
| Business limit (see notes 1 and 2 below) | | ************** | | | 410 | С |
| Notes: 1. For CCPCs that are not ass tax year is less than 51 wee divided by 365, and enter th | ociated, enter the amount from ks, prorate the amount from line e result on line 410. | line 4 on line 410. However, if the ce 4 by the number of days in the tax mount to be entered on line 410. | orporation's | | | |
| Business limit reduction: | | | | | | |
| Amount C | x 415 *** | D = | | | | E |
| | 11,25 | 0 | | | | |
| Reduced business limit (amount C minus | amount E) (if negative, enter " | 0") | | | 425 | F |
| Small business deduction | | | | | | |
| Amount A, B, C, | | | | | | |
| or F whichever is the least | X Number of days in the ta | ax year before January 1, 2008 | 365 × | 16 9 | % = | 5 |
| is the least | | lays in the tax year | 365 | | | |
| Amount A, B, C, or F whichever | Number of day | s in the tax year after and before January 1, 2009 | × | 17.9 | / ₀ = | 6 |
| is the least | | lays in the tax year | 365 | ±4.5 | | |
| Amount A, B, C, | | AND A CONTROL OF THE PARTY OF T | d The #74045-1 | | | |
| or F whichever is the least | | s in the tax year after ber 31, 2008 | × | 17 9 | % = | 7 |
| is the least | | lays in the tax year | 365 | | | A STATE OF THE STA |
| | | Total of amounts 5, | 6. and 7 – e | enter on line 9 | 430 | G |
| * Calculate the amount of foreign non-t | ousiness income tax credit dedu | ictible on line 632 without reference | to the refur | | | |
| CCPC's investment income (line 604 ** Calculate the amount of foreign busin |) and without reference to the co | orporate tax reductions under section | on 123.4. De corporate | tay reduction | ns und | er section 123.4 |
| | less income tax credit deduction | e of the 650 without reference to the | ic corporate | , tax readelle | 110 0110 | 01 0001011 12511. |
| Large corporations If the corporation is not associated | d with any corporations in both t | he current and the previous tax yea | rs, the amo | unt to be ent | ered at | line 415 is: |
| (Total taxable capital employed in | Canada for the prior year minu | us \$10,000,000) x 0.225%. | | | | |
| If the corporation is not associated | d with any corporations in the cu | urrent tax year, but was associated i for the current year minus \$10,000 | in the previo | ous tax year, 25% | the am | ount to be |
| For corporations associated in the | e current tax vear, see Schedule | 23 for the special rules that apply. | 3,000) X 0.L | 2070 | | |
| Tot corporations descent in the | | | | | | |
| Resource deduction | | | | | | |
| Taxable resource income [as defined in s | ubsection 125.11(1)] | | | | 435 | H H |
| Amount H | | in the tax year in 2005 | × | 3 9 | % = | Ĭ |
| Amount | aniesi / I | days in the tax year | 365 | | | |
| Amount H | | in the tax year in 2006 | × | 5 ' | % = | J |
| AMOUNT | | days in the tax year | 365 | | | |
| Amount H | | in the tax year in 2007 | 365 × | 7 ' | % = | К |
| ZODAHCI | | days in the tax year | 365 | | | 4. |
| Resource deduction – total of amounts Enter amount L on line 10. | | *********** | | | 438 | L |

| General tax reduction | on for Canad | ian-controlled private corporations | | | | | |
|--|--------------------|--|--------------------|-----------|----------------------|--------------|-----------|
| Canadian-controlled privat | te corporations | throughout the tax year | | | | | |
| Taxable income from line 360 |) | | | | | | |
| Amount Z1 from Part 9 of Sc | hedule 27 | ***************************** | | N. CORCE | | В | ^ |
| Amount QQ from Part 13 of 5 | Schedule 27 | ************* | ****** | | | C | |
| Taxable resource income from | m line 435 . | ****************************** | | 8:1 | | D | |
| Amount used to calculate the | credit union dedu | uction (from Schedule 17) | * | -200 | | F | |
| Amount from line 400, 405, 4 | | | * | | | F | |
| Aggregate investment income | | 5532777775 | · ====== | 7. | | G | |
| Total of amounts B, C, D, E, | F, and G | 5 5 5 6 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | | 7.70 | | > | u |
| Amount A minus amount H (| | | | | | | |
| Amount I | X | | | | | | |
| Amount | ^_ | Number of days in the tax year before January 1, 2008 | 365 | X | 7 % | = | J |
| | | Number of days in the tax year | 365 | | | | |
| Amount I | x | Number of days in the tax year after | | v | 0 = 0/ | Vacan | |
| Amount | | December 31, 2007 and before January 1, 2009 Number of days in the tax year | 365 | - X | 8.5 % | = | K |
| | | 90 300 AT RESPONDED. | 303 | | | | |
| Amount I | x | Number of days in the tax year after December 31, 2008 and before January 1, 2010 | | × | 9 % | _ | K1 |
| | | Number of days in the tax year | 365 | 2 *** | 5 70 | × | K1 |
| | | Number of days in the tax year after | 303 | | | | |
| Amount I | x | December 31, 2009 and before January 1, 2011 | | X | 10 % | = | K2 |
| a open and a second | | Number of days in the tax year | 365 | | 10 10 | - | N2 |
| General tax reduction for C | anadian-contro | lled private corporations – total of amounts J, K, K1, and h | (2 | | | | L |
| Enter amount L on line 638. | | | | | | • • | |
| | | | | | - Cir | | **** |
| | | | | | | | **** |
| or a mutual fund corporation | n, and for tax v | idian-controlled private corporation, an investment cor ears starting after May 1, 2006, any corporation with tax | poration, | a mo | tgage inve | stment cor | poration, |
| corporation tax rate of 38% | i. | and comming and may 1, 2000, any corporation with tax | table inte | Jilic Li | iat is not s | ubject to th | · · |
| Taxable income from line 360 | (for tax years sta | rting after May 1, 2006, amount Z) | | | | | M |
| Amount Z1 from Part 9 of Sch | | | 2: 2: E: E:(3:0:5) | MINERAL A | | N | MI |
| Amount QQ from Part 13 of S | Schedule 27 | | | | Carlotte Co. Co. | 0 | |
| Taxable resource income from | | •••••• | | | | | |
| Amount used to calculate the | credit union dedu | iction (from Schedule 17) | | | | Q. | |
| Total of amounts N. O. P. and | | • | | | | <u> </u> | D |
| Amount M minus amount R (| | | Water to the | | A SHOT SECURITION OF | The Control | K |
| Amount withinus amount R (| ii negative, enter | "0") | | • • • • | ***** | • | S |
| Amount S | x | Number of days in the tax year before January 1, 2008 | 365 | X | 7 % | = | Ŧ |
| STATE OF THE PROPERTY OF THE P | | Number of days in the tax year | 365 | | 18 8070 | A3- | · |
| | | Number of days in the tax year after | 77.47.77 | | | | |
| Amount S | x | December 31, 2007 and before January 1, 2009 | | X | 8.5 % | = | U |
| | | Number of days in the tax year | 365 | | | 87000000 | |
| | | Number of days in the tax year after | | | | | |
| Amount S | x | December 31, 2008 and before January 1, 2010 | | × | 9 % | = | U1 |
| | | Number of days in the tax year | 365 | | | | |
| | | Number of days in the tax year after | | | | | |
| Amount S | × | December 31, 2009 and before January 1, 2011 | | × | 10 % | = | U2 |
| | | Number of days in the tax year | 365 | | | | |
| General tax reduction - total | of amounts T. I. | I III and II2 | | | | | V |

Enter amount V on line 639.

| Canadian-controlled private corporations throughout the tax year Aggregate investment income |
|--|
| (from Schedule 7) Foreign non-business income tax credit from line 632 Deduct: Foreign investment income |
| Deduct: Foreign investment income |
| Foreign investment income |
| (from Schedule 7) (if negative, enter "0") ▶ B Amount A minus amount B (if negative, enter "0") ▶ C Taxable income from line 360 Deduct: Amount from line 400, 405, 410, or 425, whichever is the least Foreign non-business |
| Amount A minus amount B (if negative, enter "0") Taxable income from line 360 Deduct: Amount from line 400, 405, 410, or 425, whichever is the least Foreign non-business |
| Taxable income from line 360 Deduct: Amount from line 400, 405, 410, or 425, whichever is the least Foreign non-business |
| Deduct: Amount from line 400, 405, 410, or 425, whichever is the least Foreign non-business |
| Deduct: Amount from line 400, 405, 410, or 425, whichever is the least Foreign non-business |
| Amount from line 400, 405, 410, or 425, whichever is the least |
| Foreign non-business |
| |
| income tax credit x 25 / 9 = |
| Service Control Contro |
| Foreign business income tax credit |
| from line 636 |
| |
| |
| × 26 2 / 3 % = D |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780) |
| Deduct: Corporate surtax from line 600 |
| Net amount |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least |
| |
| Refundable dividend tax on hand |
| Refundable dividend tax on hand at the end of the previous tax year |
| Deduct: Dividend refund for the previous tax year |
| |
| C |
| Add the total of: |
| Add the total of: Refundable portion of Part I tax from line 450 above |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on |
| Add the total of: Refundable portion of Part I tax from line 450 above |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation H |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H Dividend refund |
| Add the total of: Refundable portion of Part I tax from line 450 above Total Part IV tax payable from Schedule 3 Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation H Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H Dividend refund Private and subject corporations at the time taxable dividends were paid in the tax year |

| Partitax | | | |
|--|---|---------------|-----|
| Base amount of Part I tax - taxable income (line 360 or amount Z, whichever applies) multiplied by | 38.00 % | 550 | _ A |
| Corporate surtax calculation | | | |
| Base amount from line A above | 5 to total e totto | | |
| 10 % of taxable income (line 360 or amount Z, whichever applies) | | 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 tax year, enter amount a, b, or c below on line 6, whichever is the least: | | | |
| 28.00 % of taxable income from line 360 a | | | |
| 28.00 % of taxed capital gains b | | 6 | |
| Part I tax otherwise payable | 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 | _ | |
| Total of lines 2 to 6 | 6% <u>27-32</u> 4 | 7 | |
| Net amount (line 1 minus line 7) | | | |
| Net amount (line 1 minus line 1) | | 8 | |
| Corporate surtax* | | | |
| Line 8 X Number of days in the tax year before January 1, 2008 Number of days in the tax year | 365 × 4 % | = 600 | В |
| * The corporate surtax is zero effective January 1, 2008. | | | |
| Recapture of investment tax credit from Schedule 31 | | 602 | С |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investigation | | | |
| (if it was a CCPC throughout the tax year) | stment income | | |
| Aggregate investment income from line 440 Taxable income from line 360 Deduct: | | = 1 | |
| Amount from line 400, 405, 410, or 425, whichever is the least | to. | | |
| Net amount | — | <u></u> ∥ | |
| Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i | or ii | 604 | D |
| s | Subtotal (add lines A, B, C | C, and D) | _ E |
| Deduct: | | | |
| Small business deduction from line 430 | 1.8 | 9 | |
| Federal tax abatement | 08 | | |
| Manufacturing and processing profits deduction from Schedule 27 | 16 | | |
| Investment corporation deduction | 20 | | |
| (taxed capital gains 624) | | | |
| Additional deduction – credit unions from Schedule 17 | 28 | | |
| Federal foreign non-business income tax credit from Schedule 21 | 32 | | |
| Federal foreign business income tax credit from Schedule 21 | 36 | | |
| Resource deduction from line 438 | | 10 | |
| General tax reduction for CCPCs from amount L | 38 | | |
| General tax reduction from amount V | 39 | 60360° | |
| Federal logging tax credit from Schedule 21 | 40 | | |
| Federal political contribution tax credit64 | 44 | <u>5_50</u> 9 | |
| Federal political contributions 646 | | | |
| Federal qualifying environmental trust tax credit | 48 | | |
| Investment tax credit from Schedule 31 | 52 | 9-2 Jan | |
| Subto | otal | > | F |
| | | West- | |
| Part I tax payable – Line E minus line F Enter amount G on line 700. | ************* | | G |

| Summary of tax and credits — | | | |
|--|--|--|-------------------|
| Federal tax | | | |
| Part I tax payable | | 그러 가게 되었다면 열 집에서 이 집에서 이 아름다면 하지만 하지만 하는데 이 아름다면 하는데 이 아름다면 하는데 아름다면 아름다면 하는데 아름다면 아름다면 아름다면 아름다면 아름다면 아름다면 아름다면 아름다면 | |
| Part I.3 tax payable from Schedule 33, 34, | or 35 | 704 | |
| Part II surtax payable from Schedule 46 | | 708 | |
| Part III.1 tax payable from Schedule 55 | | | |
| Part IV tax payable from Schedule 3 | | | |
| Part IV.1 tax payable from Schedule 43 | | | |
| Part VI tax payable from Schedule 38 | | | |
| 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 | |
| Add provincial or territorial tax: | | Total federal tax | |
| | 750 Ontario | | |
| (if more than one jurisdiction, enter "mul | | CONTRACT OF A TOL OFF SAME. | |
| Net provincial or territorial tax payable (exc | 257 | 760 | |
| Provincial tax on large corporations (New I | | 765 | |
| Trovincial tax of large corporations (New t | Station and 1104a occina) | | |
| | | Total tax payable 770 | A |
| Deduct other credits: | | | |
| Investment tax credit refund from Schedul | | Charles and the control of the contr | |
| | | | |
| Federal capital gains refund from Schedul | | | |
| Federal qualifying environmental trust tax | | | |
| Canadian film or video production tax cred | lit refund (Form T1131) | | |
| Film or video production services tax credi | t refund (Form T1177) | , | |
| | | | |
| Total payments on which tax has been v | vithheld | potenta | |
| Provincial and territorial capital gains refur | nd from Schedule 18 | A STATE OF THE STA | |
| Provincial and territorial refundable tax cre | dits from Schedule 5 | 812 | |
| Tax instalments paid | | | |
| *** | | Total credits 890 > | В |
| | | | |
| Refund code 894 Overp | payment | Balance (line A minus line B) | |
| Direct deposit requi | not | If the result is negative, you have an overpayment. | |
| Direct deposit requently to have the corporation's refund deposited | | If the result is positive, you have a balance unpaid. | |
| account at a financial institution in Canada | | Enter the amount on whichever line applies. Generally, we do not charge or refund a difference | |
| already gave us, complete the information | | of \$2 or less. | |
| Start Change information | 910 | Man and Man an | |
| - Change intermented | Branch number | Balance unpaid | - ◀~ |
| 914 | 918 | Enclosed payment 898 | |
| Institution number | Account number | Enotogo paymont | (%) |
| If the corporation is a Canadian-controlled | private corporation throughout the tax year, | | |
| does it qualify for the one-month extension | of the date the balance of tax is due? | 896 1 Yes 2 No X | rower consequence |
| 6 47 | | | |
| Certification — | | | |
| I, 950 WOODLAND | 951 RUSS | 954 DIRECTOR | |
| Last name in block lette | ers First name in bl | | |
| am an authorized signing officer of the corp | poration. I certify that I have examined this retuing heat of my knowledge, correct and complete | rn, including accompanying schedules and statements, and that . I further certify that the method of calculating income for this | |
| the information given on this return is, to the tax year is consistent with that of the previous | bus year except as specifically disclosed in a st | atement attached to this return. | |
| 955 | one and the second seco | 956 (905) 309-0611 | |
| Date (yyyy/mm/dd) | Signature of the authorized signing officer | AND A STATE OF THE | |
| 250,035,03 | orized signing officer? If no, complete the info | | |
| 958 | oness signing officer : if no, complete the info | 959 | |
| 200 | Name in block letters | Telephone number | |
| I | Traine in proof fotors | | |
| | | | |
| Language of correspondence | - Langue de correspondance | | |
| Indicate your language of corresp | Langue de correspondance ondence by entering 1 for English or 2 for Frer ondance en inscrivant 1 pour anglais ou 2 pour | nch. 1 English / Anglais X 2 Français / Fre | anch |

Canada Revenue Agency

Agence du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION - GIFI

| | | Form identifier 100 |
|---|-------------------|---------------------|
| Name of corporation | Business Number | Tax year end |
| | | Year Month Day |
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | 2007-12-31 |

Balance sheet information

| Account | Description | GIFI | Current year | Prior year |
|------------|---|----------|---------------------|--|
| Assets - | | | | |
| | Total current assets | 1599 + | 441,595 | 495,313 |
| | Total tangible capital assets | 2008 + | 7,626,628 | 7,626,628 |
| | Total accumulated amortization of tangible capital assets | 2009 - | 746,524 | 565,73 |
| | Total intangible capital assets | 2178 + | | |
| | Total accumulated amortization of intangible capital assets | 2179 - | | and the state of t |
| | Total long-term assets | | | - Arterior |
| | *Assets held in trust | 2590 + | | |
| | Total assets (mandatory field) | 2599 = _ | 7,321,699 | 7,556,210 |
| Liabilitie | 3 | | | |
| | Total current liabilities | 3139 + | 451,118 | 87,743 |
| | Total long-term liabilities | 3450 + | 5,868,000 | 6,129,000 |
| | *Subordinated debt | 3460 + | | |
| | *Amounts held in trust | 3470 + | | |
| | Total liabilities (mandatory field) | 3499 = = | 6,319,118 | 6,216,743 |
| Sharehol | der equity | | | |
| | Total shareholder equity (mandatory field) | 3620 + | 1,002,581 | 1,339,467 |
| | Total liabilities and shareholder equity | 3640 = | 7,321,699 | 7,556,210 |
| Retained | earnings | | | |
| | Retained earnings/deficit – end (mandatory field) | 3849 = | -1,397,519 | -1,060,633 |

Current Assets

| | | | Form identifier 159 |
|--|--|--|---------------------------|
| Account Description | GIFI | Current year | Prior year |
| Cash and deposits | | | w was a second second |
| * Cash and deposits | 1000 | 373,892 | 355,089 |
| Cash | 1001 | | |
| Deposits in Canadian banks and institutions – Canadian currency | 1002 | | |
| Deposits in Canadian banks and institutions – foreign currency | 1003 | N OWN | |
| Deposits in foreign banks – Canadian currency | 1004 | | |
| Deposits in foreign banks – foreign currency | 1005 | | |
| Credit union central deposits | 1006 | | |
| Other cash like instruments | 1007 | | **** |
| Cash and deposits | + | 373,892 | 355,089 |
| Accounts receivable — | | | |
| *Accounts receivable | 1060 | 63,442 | 133,862 |
| Trade accounts receivable | 1062 | | |
| Trade accounts receivable from related parties | 1064 | | |
| | 1066 | | 4,770 |
| | 1067 | | 9,70 |
| Interest receivable | 1068 | | |
| | 1069 | | |
| Leases receivable | 1071 | | |
| Accounts receivable from employees | 1073 | | |
| Amounts receivable from members of NPOs | 10/2 | 63,442 | 138,632 |
| Accounts receivable | | | 150,052 |
| Allowance for doubtful accounts | | | |
| * Allowance for doubtful accounts | 1061 | | |
| Allowance for doubtful trade accounts receivable | 1063 | | |
| Allowance for doubtful trade accounts receivable from related parties | 1065 | | |
| Allowance for doubtful amounts contained in leases receivable | 1070 | | |
| Allowance for doubtful accounts receivable from employees | 1072 | | and the second |
| Allowance for doubtful accounts | - | | |
| Inventories | | | This like have dealers in |
| * Inventories | 1120 | | |
| Inventory of goods for sale | 1121 | | |
| Inventory parts and supplies | 1122 | 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | |
| Inventory properties | 1123 | | |
| Inventory of aggregates | 1124 | A STORY OF THE PARTY OF THE PAR | |
| The state of the s | 1125 | THE RESERVE OF PERSONS ASSESSED. | |
| Work in progress | 1126 | | |
| Raw materials | 1127 | | |
| Inventory of securities | | | |
| Inventories | | | |
| Short-term investments | | | |
| * Short-term investments | 1180 | <u> </u> | |
| Canadian term deposits | 1181 | | |
| Canadian shares | 1182 | | |
| Canadian bonds | 1183 | | |
| Canadian treasury bills | 1184 | - | |
| Securities purchased under resale agreements | 1185 | V2-1/ | |
| Other short-term Canadian investments | 1186 | | |
| Short-term foreign investments | 1187 | | |
| Short-term investments | + | | |
| | No. 1 The State of St | | |

| Loans and notes receivable | | |
|---|---|---|
| * Loans and notes receivable | i | |
| Demand loans receivable | | |
| Other loans receivable | | |
| Notes receivable 1243 | | |
| Mortgages receivable 1244 | | |
| Loans and notes receivable | l <u> </u> | |
| Loans and notes receivable | Т | |
| Due from shareholder(s)/director(s) | | |
| * Due from shareholder(s)/director(s) | ľ | |
| Due from individual shareholder(s) | No. of Section 1997 | |
| Due from corporate shareholder(s) | | |
| Due from director(s) | | |
| Due from shareholder(s)/director(s) | <u> </u> | |
| bue noin shareholder(s)/director(s) | T. | |
| | | |
| * Investment in joint venture(s)/partnership(s) | + | |
| | | *************************************** |
| | | |
| * Due from joint venture(s)/partnership(s) 1380 | + | |
| | | |
| Due from/investment in related parties | | |
| * Due from/investment in related parties | Market and the second second | |
| Demand notes from related parties | | |
| Interest receivable from related parties | | |
| Loans/advances due from related parties | | |
| Due from/investment in related parties | · • | |
| | | |
| | | |
| *Customers' liability under acceptances | + | |
| Other current assets | | |
| * Other current assets | ſ | |
| Future (deferred) income taxes | | *************************************** |
| Accrued investment income | | |
| Taxes recoverable/refundable 1483 | | |
| | | 1 500 |
| | | 1,592 |
| Drilling advances | | |
| Security/tender deposits | | |
| Other current assets | + 4,261 | 1,592 |
| · · · · · · · · · · · · · · · · · · · | - W - W - W - W - W - W - W - W - W - W | |
| Total current assets 1599 | = 441.595 | 495.313 |

Tangible Capital Assets and Accumulated Amortization

| 155.0 | 1204 | | | | Form identifier 2008/200 |
|------------------------|---|-------------------------|--|--|--|
| Account | Description | GIFI | Tangible capital assets | Accumulated amortization | Prior year |
| Land | | | | | |
| | *Land | | | | |
| | Land improvements | | - | | |
| | Accumulated amortization of land improvements | 1602 | | - | |
| | Tota | I | | - 40 | |
| Depletab | le assets | | | | |
| | * Depletable assets | 1620 H | 7,626,628 | (8) | 7,626,628 |
| | *Accumulated amortization of depletable assets | 1621 | | 746,524 | 565,731 |
| | Petroleum and natural gas properties | 1622 + | + | | *************************************** |
| | Accumulated amortization of petroleum and | | | | |
| | natural gas properties | 1623 | ¥ | - | |
| | Mining properties | 1624 | | | |
| | Accumulated amortization of mining properties | 1625 | | | |
| | Deferred exploration and development charges . | 1626 | | | |
| - | Accumulated amortization of deferred | | | | |
| (1 | exploration and development charges | 1627 | | | |
| | Quarries | 1628 | | | NATURAL DESIGNATION OF THE PROPERTY OF THE PARTY OF THE P |
| | Accumulated amortization of quarries | 1629 | | - | |
| | Gravel pits | 1630 | - | | |
| | Accumulated amortization of gravel pits | 1631 | | - | |
| | Timber limits | 1632 + | - | STOROGO STOROG | W SMEATH CANADA SERVERA DIMENSE |
| | Accumulated amortization of timber limits | 1633 | The state of the s | - | |
| | Tota | 50x 533 | 7,626,628 | 746,524 | |
| | | | | | |
| Buildings | | | | | |
| | * Buildings | | | | |
| | *Accumulated amortization of buildings | Control Control Control | | | |
| | Manufacturing and processing plant | 1682 | | | |
| | Accumulated amortization of manufacturing | 1683 | 12 | 2 | |
| | and processing plant | 1684 | | WAS - 210 - 220 - | - |
| | Buildings under construction | | | | |
| | Tota | | | | |
| Machiner | y, equipment, furniture and fixtures | | | | |
| | * Machinery, equipment, furniture, and fixtures | 1740 H | | | |
| | *Accumulated amortization of machinery, | | | | |
| | equipment, furniture, and fixtures | 1741 | | - | |
| | Motor vehicles | 1742 | • | | |
| | Accumulated amortization of motor vehicles . | 1743 | | - | 787 |
| | Tools and dies | 1744 | | | |
| 7501700000000000000000 | Accumulated amortization of tools and dies | 1745 | | - | |
| | Construction and excavating equipment | 1746 | · | | , |
| | Accumulated amortization of construction | | | | |
| | and excavating equipment | 1747 | | | |
| | Forestry and logging equipment | 1748 | | | |
| | Accumulated amortization of forestry and | 1749 | 100 | _ | |
| | logging equipment | | | | |
| | Fishing gear and nets | 1750 | | | ************************************** |
| | Accumulated amortization of fishing gear and | 1751 | 12 | <u>2</u> 9 | |
| | nets | 1752 | - | | |
| | Mining equipment | 1753 | | ⊒ | |
| | Accumulated amortization of mining equipment | 1754 | | | |
| | Oil and gas systems | | | | |

| Machinery, equipment, furniture and fixtures (continu | ed) | | |
|--|--------------|--|---|
| Accumulated amortization of oil and gas | = · · · · | | |
| systems | 1755 | | |
| Production equipment for resource industries | 1756 + | | ************************************** |
| Accumulated amortization of production | | | |
| equipment for resource industries | 1757 | | |
| Production equipment for other than resource | | | |
| industries | 1758 + | | |
| Accumulated amortization of production | | | |
| equipment for other than resource industries | 1759 | | |
| Exploration equipment | 1760 + | | |
| Accumulated amortization of exploration | | | |
| equipment | 1761 | | |
| Shipping equipment | 1762 + | | |
| Accumulated amortization of shipping | | | |
| equipment | 1763 | - | |
| Ships and boats | 1764 + | | |
| Accumulated amortization of ships and boats | 1765 | | |
| Aircraft | 1766 + | | |
| Accumulated amortization of aircraft | 1767 | 200 200 200 200 200 200 200 200 200 200 | |
| Signs | 1768 + | | |
| Accumulated amortization of signs | 1769 | 29 | |
| Small tools | 1770 + | **** | |
| Accumulated amortization of small tools | 1771 | | |
| Radio and communication equipment | 1772 + | | |
| Accumulated amortization of radio and | | | |
| communication equipment | 1773 | - | |
| Computer equipment/software | 1774 + | | |
| Accumulated amortization of | | | |
| computer equipment/software | 1775 | _ | |
| Musical instruments | 1776 + | | |
| Accumulated amortization of musical | | | |
| instruments | 1777 | | |
| Satellites | 1778 + | | |
| Accumulated amortization of satellites | 1779 | | |
| Earth stations | 1780 + | *************************************** | |
| Accumulated amortization of earth stations | 1781 | _ | |
| Machinery and equipment under construction | 1782 + | | ************************************** |
| Transportation equipment | 1783 + | | |
| Accumulated amortization of transportation | | | · · · · · · · · · · · · · · · · · · · |
| equipment | 1784 | | |
| Other machinery and equipment | 1785 + | | |
| Accumulated amortization of other | | | |
| machinery and equipment | 1786 | - | |
| Furniture and fixtures | 1787 + | | |
| Accumulated amortization of furniture | | | |
| and fixtures | 1788 | | |
| Total | | | |
| The state of the s | 2 1997 - 923 | - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 | To the second section of the section of the second section of the section of the second section of the section |
| Other tangible capital assets | | | |
| * Other tangible capital assets | 1900 + | | |
| *Accumulated amortization of other tangible | | | |
| capital assets | 1901 | | S-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1 |
| Logging roads | 1902 + | | |
| Accumulated amortization of logging roads | 1903 | _ | 9 - 0 |
| Asphalt and parking areas | 1904 + | | |
| Accumulated amortization of asphalt and | | | |
| parking areas | 1905 | | *************************************** |
| Wharves | 1906 + | | |
| Accumulated amortization of wharves | 1907 | _ | |

| Other tangible capital assets (continued) | | | |
|---|--|--|-----------------------|
| Fences | . 1908 + | * *- : | |
| Accumulated amortization of fences | The same of the sa | - | |
| Capital leases – buildings | | | |
| - buildings | | | |
| Capital leases – equipment | | | |
| - equipment | | () | |
| Capital leases – vehicles | | | |
| – vehicles | | · | |
| Capital leases – others | | | |
| - others | | | |
| Leasehold improvements | 2 2 | : | |
| improvements | | - | esers or any analysis |
| Other capital assets under construction | | <u> </u> | |
| Campsites | 4000 | | |
| Tota | al | | |
| | 2009 - 7.626 | 5 629 | 7,626,628 |
| Total tangible capital assets | 2008 = 7,626 | 0,020 | 7,020,020 |
| Total accumulated amortization of | | PROPERTY OF THE PROPERTY OF TH | |
| tangible capital assets | 2009 | = 746,52 | 4 565,731 |

^{*} Generic item

Current Liabilities

| | | | | Form identifier 3139 |
|--|---|--|--|--|
| Account | Description | GIFI | Current year | Prior year |
| | *Bank overdraft | 2600 + | | 5-10-10-10-10-10-10-10-10-10-10-10-10-10- |
| Amounts | s payable and accrued liabilities | | TW = 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 | |
| , mio anico | * Amounts payable and accrued liabilities | 2620 | 451,118 | 87,743 |
| | Trade payables | 2621 | 131/110 | 0/,/· 15 |
| | Trade payables to related parties | 2622 | | |
| | Holdbacks payable | 2623 | · · · · · · · · · · · · · · · · · · · | |
| | Wages payable | 2624 | | |
| | Management fees payable | 2625 | | |
| | Bonuses payable | 2626 | | |
| | Employee deductions payable | 2627 | | |
| | Withholding taxes payable | 2628 | | |
| | _ Interest payable | 2629 | | |
| | Amounts payable to members of NPOs | 2630 | | |
| · · · · · · · · · · · · · · · · · · · | Amounts payable and accrued liabilities | + : | 451,118 | 87,743 |
| | *Taxes payable | 2680 + | | |
| 06 - 44- | | | | |
| Short-ter | * Short-term debt | 2700 | | |
| | Francisco Compileration | 2701 | | |
| | Liability for securities sold short | 0700 | | 5-89-3 |
| | Liability for securities sold under repurchase agreements | 2703 | - P(| |
| | Gold and silver certificates | 2704 | | |
| Special Control Contro | Cheques and other items in transit | A STATE OF THE PARTY OF THE PAR | - | |
| PRO TRANSPORTED PROFESSIONAL | Lien notes | 2706 | | Name of the last o |
| | Credit card loans | 2707 | | |
| | Short-term debt | + | | |
| | _* Deferred income | 2770 + | 8 | |
| Due to al | havehaldavia)/divostavia) | | Secretaria de la companya del companya del companya de la companya | |
| Due to si | hareholder(s)/director(s) *Due to shareholder(s)/director(s) | 2780 | | |
| ···· | Due to individual shareholder(s) | 2781 | | |
| | Due to corporate shareholder(s) | 2782 | | |
| | Due to director(s) | 2783 | | THE STATE OF THE S |
| | Due to shareholder(s)/director(s) | + | | |
| | *5 () () () () | oovo . | | |
| | * Due to joint venture(s)/partnership(s) | 2840 + | | |
| Due to re | elated parties | | | |
| | * Due to related parties | 2860 | | ~~~~ |
| LOCAL COLOR DE | Demand notes due to related parties | 2861 | | 37 - 48347.6 |
| | Interest payable to related parties | 2862 | | |
| | _ Advances due to related parties | 2863 | | |
| | Due to related parties | +. | | 100 |

| * Current portion of long-term liability | 2920 + | | |
|---|--------|--|--------|
| * Bankers' acceptances | 2940 + | | |
| Other current liabilities | | And the state of t | |
| * Other current liabilities | | | |
| Deposits received | | | |
| Dividends payable | | | |
| Future (deferred) income taxes | | OMMERCON TO SECURE | |
| Reserves for guarantees, warranties, or indemnities | | | |
| General provisions/reserves | | | |
| Crew shares | 2966 | | |
| Other current liabilities | | | |
| Total current liabilities | 3139 = | 451,118 | 87,743 |

^{*} Generic item

Long-term Liabilities

| count | Description | GIFI | Current year | Prior year |
|--|--|--|---|---|
| ong-ter | | | | |
| | _*Long-term debt | 3140 | 5,571,000 | 5,732,000 |
| | _ Mortgages | 3141 | | |
| | Farm credit corporation loan | 3142 | | |
| | Chartered bank loan | 3143 | | |
| | Credit Union/Caisse Populaire Ioan | 3144 | | |
| | Provincial government loan | 3145 | E-SCOOLS AND SCOOLS AND SCOOLS AND | |
| | Supply company loan | 3146 | | |
| | Private loan | 3147 | | |
| | Central, league, and federation loans | 3148 | | |
| | Line of credit | 3149 | | |
| | Liability for securities sold short | 3150 | | |
| | Liability for securities sold under repurchase agreements | 3151 | | |
| | Lien notes | 3152 | | |
| | Long-term debt | + | 5,571,000 | 5,732,000 |
| | | · - | | |
| | * Deposit liabilities of financial institutions | 3200 + | | |
| | * Bonds and debentures | 3210 + | | |
| | * Deferred income | 3220 + | | |
| 7777 | *Future (deferred) income taxes | 3240 + | 297,000 | 397,000 |
| ue to sh | nareholder(s)/director(s) | | | |
| | * Due to shareholder(s)/director(s) | 3260 | | |
| | Due to individual shareholder(s) | 3261 | | |
| () | Due to corporate shareholder(s) | 3262 | | |
| | Due to director(s) | 3263 | | |
| | Due to shareholder(s)/director(s) | + | | |
| | *Due to members | 3270 + | | |
| | ••• | 0000 | | |
| (* * ********************************* | * Due to joint venture(s)/partnership(s) | 3280 + | | |
| ue to re | lated parties | - Control of the Cont | | x < 1 > 2 × 1 = 2 × 1 |
| | *Due to related parties | 3300 | | |
| | Amounts owing to related Canadian parties | 3301 | | |
| | | | | |
| | Amounts owing to related foreign parties Due to related parties | 3302 | | |

| Other long-term liabilities * Other long-term liabilities | | | |
|--|--|--|-----------|
| Long torm obligations community april 1997 | Service Company of the Company of th | And Antipolic Control of the Control | |
| Model to lot guaranteed in marantee | 0000 | | |
| Provision for site restoration | A 18 (18 (18 (18 (18 (18 (18 (18 (18 (18 | | |
| Contributions to qualifying circumstate trace. | | | |
| General provisions/reserves | | | |
| Preference shares restated | 3326 | | ****** |
| Montpot and dations 111111111111111111111111111111111111 | | | |
| Deferred revenue from incomplete contracts | 3328 | | |
| Other long-term liabilities | + | | |
| Total long-term liabilities | 3450 = | 5,868,000 | 6,129,000 |

^{*} Generic item

Shareholder Equity

| | | Marie Control | | Form identifier 362 |
|--|--------------------------------|---------------|--------------|---------------------|
| Account | Description | GIFI | Current year | Prior year |
| | _* Common shares | 3500 + | 100 | 100 |
| | * Preferred shares | 3520 + | 2,400,000 | 2,400,000 |
| Contribu | ted and other surplus | | | |
| | *Contributed and other surplus | 3540 | | |
| | Contributed surplus | 3541 | | |
| AN THE PROPERTY AND THE | Appraisal surplus | 3542 | | |
| | General reserve | 3543 | | |
| | Contributed and other surplus | +_ | | |
| | * Head office account | 3570 + _ | | |
| | * Retained earnings/deficit | 3600 + _ | -1,397,519 | -1,060,633 |
| | Total shareholder equity | 3620 = | 1,002,581 | 1,339,467 |

^{*} Generic item

Retained Earnings/Deficit

| | | | 9400 | Form identifier 384 |
|--|---|-------------------|--------------------------|---------------------|
| Account | Description | GIFI | Current year | Prior year |
| | *Retained earnings/deficit – start | 3660 + | -1,060,633 | -958,311 |
| | * Net income/loss | 3680 + | 184,881 | -102,322 |
| Dividend | s declared | | Topygoode and the second | |
| | _* Dividends declared | 3700 3701 | | |
| | Patronage dividends | 3702 | - | |
| | Dividends declared | | | |
| The state of the s | * Prior period adjustments | 3720 + | | |
| Other ite | ms affecting retained earnings | | | |
| | * Other items affecting retained earnings | 3740 | -521,767 | |
| | Share redemptions | COLUMN TO SERVICE | | |
| | Special reserves | 3743 | | |
| | Currency adjustments | 3744 | | |
| | Interfund transfer | 3745 | | |
| | Other items affecting retained earnings | + = | -521,767 | |
| | Retained earnings/deficit – end | 3849 = _ | -1,397,519 | -1,060,633 |

^{*} Generic item

-100,000

184,881

9999 =

-17,000

-102,322

*

Canada Revenue Agency Agence du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION - GIFI

| Income s | tatement information | | CIE IX | |
|---------------------|---|--|---|--|
| Description | n GIFI | | | WINNESS TO THE PARTY OF THE PAR |
| Description | ame | | | |
| Account | Description | GIFI | Current year | Prior year |
| Income s | tatement information | | × | |
| | Total sales of goods and services Cost of sales | 8089 + 8518 - | 659,789 | 558,210 |
| | Gross profit/loss | 8519 = _ | 659,789 | 558,210 |
| | Cost of sales | 8518 ± | | |
| | Total operating expenses | 9367 + | 586,675 | 673,592 |
| | Total expenses (mandatory field) | 9368 = | 586,675 | 673,592 |
| | Total revenue (mandatory field) | 8299 + | 671,556 | 573,270 |
| | Total expenses (mandatory field) | 9368 - | 586,675 | 673,592 |
| | Net non-farming income | 9369 = | 84,881 | -100,322 |
| _ | | | | |
| Farming | income statement information | 9659 + | weekid processing in the control of | |
| MATERIAL MANAGEMENT | Total farm revenue (mandatory field) Total farm expenses (mandatory field) | 9898 - | | |
| | Net farm income | 9899 = | | 1100 |
| | | | | |
| | Net income/loss before taxes and extraordinary items | 9970 = | 84,881 | -100,322 |
| F. 4 - 2 - 4 | in and it came (limbed to Sahadula 140) | Name of the last o | | |
| Extraord | inary items and income (linked to Schedule 140) Extraordinary item(s) | 9975 - | | |
| | Legal settlements | 9976 - | | |
| | Unrealized gains/losses | 9980 + | | |
| | Unusual items | 9985 - | - | |
| *** | Current income taxes | 9990 - | | 19,000 |
| | | | | |

Deferred income tax provision

(mandatory field)

Net income/loss after taxes and extraordinary items

Revenue

| | | | | Form identifier 8299 |
|---|--|---|--|----------------------|
| Account | Description | GIFI | Current year | Prior year |
| | *Trade sales of goods and services | + 0008 | 659,789 | 558,210 |
| F. V. Selberger and Selberger | * Sales of goods and services to related parties | 8020 + | | *********** |
| | * Interdivisional sales | 8030 + | | 2012 |
| Sales fro | m resource properties | | - Control of the Cont | |
| | *Sales from resource properties | 8040 | | |
| | Petroleum and natural gas sales | 8041 | | |
| Manual Street Street | Petroleum and natural gas sales to related parties | 8042 | | |
| | Gas marketing | 8043 | | |
| | Processing revenue | 8044 | | |
| | Pipeline revenue | 8045 | | |
| | Seismic sales | 8046 | | |
| | Mining revenue | 8047 | | |
| | Coal revenue | 8048 | | |
| | Oil sands revenue | 8049 | | |
| | Royalty income | 8050 | | 1.000.00 |
| | Oil and gas partnership/joint venture income/loss | 8051 | | |
| | Mining partnership/joint venture income/loss | 8052 | | |
| | | | The state of the s | |
| | Other production revenue | 8053 | | |
| | Other production revenue | 8053 | | |
| | | 8053 <u> </u> | | |
| | | 8053 + = | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services | +- | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services nt revenue | 8089 = | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services nt revenue *Investment revenue | * = 8089 = 8090 | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services nt revenue * Investment revenue Interest from foreign sources | 8089 = 8090 8091 | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services nt revenue * Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures | 8089 = | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services nt revenue * Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans | 8089 = 8090 8091 8092 8093 | 659,789 | 558,210 |
| Investme | Sales from resource properties Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources | 8089 = 8090 8091 8092 8093 8094 | 659,789 | 558,210 |
| Investme | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income | 8089 = 8090 8091 8092 8093 8094 8095 | 659,789 | 558,210 |
| Investme | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources | 8089 = 8090 8091 8092 8093 8094 8095 8096 | 659,789 | 558,210 |
| Investme | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income | 8089 = 8090 8091 8092 8093 8094 8095 | 659,789 | 558,210 |
| | Total sales of goods and services Intrevenue *Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue | 8089 = 8090 8091 8092 8093 8094 8095 8096 | 659,789 | 558,210 |
| | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) | 8089 = 8090 8091 8092 8093 8094 8095 8096 8097 | 659,789 | 558,210 |
| | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) | 8089 = | 659,789 | 558,210 |
| | Total sales of goods and services Interevenue * Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest | 8089 = | 659,789 | 558,210 |
| | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest Securities interest | 8089 = 8090 8091 8092 8093 8094 8095 8096 8097 + 8100 8101 8102 | 659,789 | 558,210 |
| | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest Securities interest Deposits with banks interest | 8089 = | 659,789 | 558,210 |
| | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest Securities interest | 8089 = 8090 8091 8092 8093 8094 8095 8096 8097 + 8100 8101 8102 | 659,789 | 558,210 |
| Interest in | Total sales of goods and services Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest Securities interest Deposits with banks interest | 8089 = | 659,789 | 558,210 |
| Interest in | Total sales of goods and services Interevenue * Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest Securities interest Deposits with banks interest Interest income (financial institutions) | 8089 = 8090 8091 8092 8093 8094 8095 8096 8097 + 8100 8101 8102 | 659,789 | 558,210 |
| Interest in | Total sales of goods and services Interevenue * Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income Dividends from Canadian sources Dividends from foreign sources Investment revenue Income (financial institutions) * Interest income (financial institutions) Loan interest Securities interest Deposits with banks interest Interest income (financial institutions) | 8089 = | 659,789 | 558,210 |

| Rental re | | | ., |
|---|--|---|---|
| 30 50 50 COMPANIES | * Rental revenue | | |
| | Real estate rental revenue | | |
| | Film rental revenue | | |
| | Rental revenue + | | |
| CASC BOX STORM STORM | | | |
| YW 2007 PEC 200 OA 7 00 000 | * Vehicle leasing | | |
| | | | |
| Fishing re | Name and American | | |
| | | | |
| | | | |
| | Other marine products | | |
| | Fishing grants, credits, and rebates | | |
| | | | |
| | Compensation for loss of fishing income or property | | |
| | Sharesman income 8166 | | |
| | Fishing revenue + | | |
| Realized (| gains/losses on disposal of assets | | |
| | * Realized gains/losses on disposal of assets | - | |
| | Realized gains/losses on sale of investments 8211 | | |
| | Realized gains/losses on sale of resource properties | | |
| | Realized gains/losses on disposal of assets + | | |
| | | | |
| NPO amo | unts received | | |
| | * Non-Profit organizations amounts received | | |
| | Membership fees | | |
| | Assessments 8222 | | *************************************** |
| | Gifts | | |
| | Gross sales and revenues from organizational activities | | |
| | NPO amounts received + | | |
| | | | |
| Other rev | Section 2 | AND | 170 |
| | * Other revenue | 11,767 | 15,060 |
| | Foreign exchange gains/losses | | |
| | Income/loss of subsidiaries/affiliates | | |
| | Income/loss of other divisions | | |
| | Income/loss of joint ventures | | |
| | Income/loss of partnerships | | |
| | Realization of deferred revenues | | N. 95 |
| SCARIO ATRIONI | Royalty income other than resource | | |
| | Alberta royalty tax credits | | 70-3- |
| | Management and administration fees | | |
| | Telecommunications revenue | | 17975 |
| | Consulting fees | | |
| | Subsidies and grants | | |
| | Sale of by-products 8243 | | |
| | Deposit services 8244 | | |
| *************************************** | Credit services 8245 | | |
| 1 101 101 101 | Card services 8246 | | |
| | Patronage dividends 8247 | | |
| ** ** *** | | | |
| WARRY HIP SIFTS | The state of the s | | |
| | | | * |
| | Bad debt recoveries 8250 Other revenue + | 11 767 | 15.000 |
| | | 11,767 | 15,060 |
| | The state of the s | | * |
| | April 10 TAY | | |
| Carrier and The C | Total revenue 8299 = | 671,556 | 573,270 |

Operating Expenses

| | | | ### ################################## | Form identifier 936 |
|----------------------|---|--------|--|---------------------|
| Account | Description | GIFI | Current year | Prior year |
| Advertisi | ng and promotion ————————————————————— | | | |
| | * Advertising and promotion | 8520 | | |
| | Advertising | 8521 | | |
| | Donations | 8522 | | |
| | Meals and entertainment | 8523 | | |
| | Promotion | 8524 | | |
| | Advertising and promotion | + | | |
| | | | | |
| | * Amortization of intangible assets | 8570 + | | |
| | | | | |
| | * Goodwill impairment loss | 8571 + | | |
| | | | | |
| | *Bad debt expense | 8590 + | | |
| oan loss | 200 | | | |
| .0aii 105 | *Loan losses | 8610 | | |
| | Provision for loan losses | 8611 | | |
| | Loan losses | + | | |
| | Loan tosses | | | |
| mployee | e benefits | | | |
| | *Employee benefits | 8620 | | |
| | Group insurance benefits | 8621 | | |
| | Employer's portion of employee benefits | 8622 | | |
| | Contributions to deferred income plans | 8623 | | |
| | Employee benefits | + | | |
| | | | | |
| | * Amortization of natural resource assets | 8650 + | | |
| 140W-240-15-7V-0-0-0 | * Amortization of tangible assets | 8670 + | 180,793 | 180,794 |
| | | | | |
| nsurance | | 8690 | <u> </u> | |
| | *Insurance | 8691 | | |
| | Life insurance on executives | 8691 | | |
| | Insurance | | | |
| nterest a | nd bank charges | | | |
| | *Interest and bank charges | 8710 | 272,255 | 390,329 |
| | Interest on short-term debt | 8711 | Commission Commission | |
| net extrapase | Interest on bonds and debentures | 8712 | A CONTRACTOR OF THE CONTRACTOR | |
| | Interest on mortgages | 8713 | And and the second section of the Manager of the second | |
| | Interest on long-term debt | 8714 | | |
| | Bank charges | 8715 | | |
| | Credit card charges | 8716 | | |
| | Collection and credit costs | 8717 | | |
| | Interest and bank charges | + | 272,255 | 390,329 |
| | interest and bank charges | ٠. | 212,233 | 330,323 |

| Interest paid (financial institutions) ———————————————————————————————————— | |
|---|---|
| *Interest paid (financial institutions) | 8740 |
| Interest paid on deposits | 8741 |
| Interest paid on bonds and debentures | 8742 |
| Interest paid (financial institutions) | + |
| microst para (manoral motitations) | · |
| | |
| Business taxes, licences, and memberships | |
| * Business taxes, licences, and memberships | 8760 |
| Memberships | 8761 |
| Business taxes | 8762 |
| Franchise fees | 8763 |
| Government fees | 8764 |
| Business taxes, licences, and memberships | + |
| | |
| | |
| * New Brunswick tax on large corporations | 8780 + |
| 100 000 000 000 000 000 000 000 000 000 | |
| | |
| * Nova Scotia tax on large corporations | 8790 + |
| | |
| Office expenses | VIII. SALES AND |
| * Office expenses | 8810 |
| Office stationery and supplies | 8811 |
| Office utilities | 8812 |
| Data processing | 8813 |
| Office expenses | + |
| | |
| Destaurational from | |
| Professional fees | |
| *Professional fees | 8860 |
| Legal fees | 8861 |
| Accounting fees | 8862 |
| Consulting fees | 8863 |
| Architect fees | 8864 |
| Appraisal fees | 8865 |
| Laboratory fees | 8866 |
| Medical fees | 8867 |
| Veterinary fees | 8868 |
| Brokerage fees | 8869 |
| Transfer fees | 8870 |
| Management and administration fees | 8871 |
| Refining and assay | 8872 |
| Registrar and transfer agent fees | 8873 |
| Restructuring costs | 8874 |
| Security commission fees | 8875 |
| Training expense | 8876 |
| Studio and recording | 8877 |
| Professional fees | + |
| | |

| Rental - | |
|---|--|
| Kentai | * Pontal 8910 |
| | Tellal |
| | Real estate felital |
| | Occupancy costs |
| | Condominium fees |
| | Equipment rental |
| | Motor vehicle rentals |
| | Moorage (boat) |
| | Storage |
| | Quota rental |
| | Quota Terriar |
| | Rental |
| 1.34 | |
| Renairs a | nd maintenance |
| rtopulio a | *Repairs and maintenance |
| | Repairs and maintenance – buildings |
| | Repairs and maintenance buildings |
| 100000000000000000000000000000000000000 | Repairs and maintenance vernoise |
| | Nepalls and maintenance boats |
| | Repairs and maintenance indomner, and equipment |
| | Repairs and maintenance |
| | |
| Other ren | airs and maintenance |
| Other rep | * Other repairs and maintenance 9010 |
| | Other repairs and maintenance |
| | Wachine Shop expense |
| | 1000 0000 |
| | Security 9013 |
| | Garbage removal 9014 |
| | Other repairs and maintenance |
| | and the state of t |
| 225. 9W: 929 | |
| Salaries a | and wages |
| 00.000000000000000000000000000000000000 | * Salaries and wages |
| | Commissions |
| | Crew share |
| | Bonuses |
| | Directors fees |
| | Management salaries |
| | Employee salaries 9066 |
| | Employee salaries |
| | Salaries and wages |
| | |
| | * Sub-contracts 9110 + |
| 2 | *Sub-contracts 9TIU + |
| | |
| Cumpling | |
| Supplies | * Supplies 9130 |
| | Supplies |
| | Odda |
| | |
| İ | Uniforms |
| | Laundry 9134 |
| | Food and catering 9135 |
| | Fishing gear 9136 |
| | Nets and traps |
| 5 (Carlotte Carlotte | Salt, bait, and ice |
| 2 | Salt, part, and ice |
| | Camp supplies |
| 2 | Computer-related expenses |
| | Opprade |
| 1 | |
| | Internet |

| * Property taxes | 9180 + | | |
|---|--------|--|-----------------|
| Travel expenses | | | |
| * Travel expenses | 9200 | | |
| Meetings and conventions | 9201 | | |
| Travel expenses | + | | (24407) |
| | | | |
| Utilities | | | |
| * Utilities | 9220 | | |
| Electricity | 9221 | | |
| Water | 9222 | | |
| Heat | 9223 | | |
| Fuel costs | 9224 | | |
| Telephone et telecommunications | 9225 | | |
| Utilities | 2220 | | |
| Cunties | Г. | | |
| | | | |
| Other expenses | | | |
| * Other expenses | 9270 | | |
| Cash over/short | 9271 | | |
| Reimbursement of parent company expense | 9272 | | 625-1486 |
| Selling expenses | 9273 | | |
| Shipping and warehouse expense | 9274 | | Terminia. |
| Delivery, freight and express | 9275 | | |
| Warranty expenses | 9276 | ************************************** | |
| Royalty expenses – resident | 9277 | | |
| Royalty expenses – non-resident | 9278 | | |
| Dumping charges | 9279 | (| |
| Land fill fees | 9280 | ************************************** | V PANAGON UNION |
| Vehicle expenses | 9281 | | |
| Research and development | 9282 | | |
| Withholding taxes | 9283 | | |
| General and administrative expenses | 9284 | 122 627 | 102.460 |
| Interdivisional expenses | 9285 | 133,627 | 102,469 |
| Interdivisional expenses | 9286 | Contraction of the Contraction o | |
| Other expenses | 5200 | 122 627 | 102.452 |
| Other expenses | T | 133,627 | 102,469 |
| | | | |
| Total operating expenses | 9367 = | 586,675 | 673,592 |
| | | | |

Business Number

87681 9301 RC0001

Canada Agency

Corporation's name

Canada Revenue Agence du revenu du Canada

NIAGARA WEST TRANSFORMATION CORPORATION

NOTES CHECKLIST

SCHEDULE 141

Tax year end

Year Month Day

2007-12-31

| is referred to as the "accounting practitioner", in this schedule. | . Otato | ments. | This person |
|---|---|---|--|
| For more information, see RC4088, Guide to the General Index of Financial Information (GIFI) for Corporations a T2 Corporation – Income Tax Guide. | and T40 | 012, | |
| 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 | X 2 No |
| Is the accounting practitioner connected* with the corporation? | 097 | 1 Yes [| 2 No X |
| * A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length v | the co | mmon e corpor | ation. |
| 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 | | | |
| | 198 | | |
| Completed an auditor's report | 1 [| X | |
| 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: | | | |
| | 099 | 1 Yes [| 2 No [X] |
| _ | 099 | 1 Yes [| 2 No [X] |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information | | 1 Yes [| |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: | 101 | | |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? | 101 | 1 Yes [| X 2 No [] |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? Has there been a change in accounting policies since the last return? | 101 102 103 | 1 Yes [| X 2 No X |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? Has there been a change in accounting policies since the last return? Are subsequent events mentioned in the notes? | 101 102 103 104 | 1 Yes [1 Yes [1 Yes [1 Yes [| X 2 No X 2 No X 2 No X |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? Has there been a change in accounting policies since the last return? Are subsequent events mentioned in the notes? Is re-evaluation of asset information mentioned in the notes? | 101 102 103 104 105 | 1 Yes [1 Yes [1 Yes [1 Yes [| X 2 No X 2 No X X 2 No 2 |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? Has there been a change in accounting policies since the last return? Are subsequent events mentioned in the notes? Is re-evaluation of asset information mentioned in the notes? Is contingent liability information mentioned in the notes? | 101 102 103 104 105 | 1 Yes [| X 2 No X 2 No X X 2 No 2 2 No X 2 No X |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? Has there been a change in accounting policies since the last return? Are subsequent events mentioned in the notes? Is re-evaluation of asset information mentioned in the notes? Is contingent liability information mentioned in the notes? Is information regarding commitments mentioned in the notes? | 101 102 103 104 105 106 | 1 Yes [| X 2 No X 2 No X X 2 No 2 2 No X 2 No X 2 No X |
| Has the accounting practitioner expressed a reservation? Part 4 – Other information Were notes to the financial statements prepared? If Yes, complete lines 102 to 107 below: Are any values presented at other than cost? Has there been a change in accounting policies since the last return? Are subsequent events mentioned in the notes? Is re-evaluation of asset information mentioned in the notes? Is contingent liability information mentioned in the notes? Is information regarding commitments mentioned in the notes? Does the corporation have investments in joint venture(s) or partnership(s)? If Yes, complete line 109 below: | 101 102 103 104 105 106 107 | 1 Yes [| X 2 No X 2 No X X 2 No 2 2 No X 2 No X 2 No X 2 No X |

*

Canada Revenue

Agence du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

| Corporation's name | Business Number | Tax year end |
|---|-------------------|----------------|
| | | Year Month Day |
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | 2007-12-31 |

- 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. For more information, see the T2 Corporation Income Tax Guide.
- 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.

| Net income (loss) after taxes and extraordinary items per financial statements | | 184,881 |
|--|---|---------|
| Add: | | |
| Provision for income taxes – deferred | | 80,793 |
| Other additions: | | |
| Miscellaneous other additions: | | |
| Subtotal of other additions 199 | 0▶ | 0 |
| Total additions 500 | 80,793 ▶ | 80,793 |
| Deduct: | | |
| Subtotal of deductions | > | |
| Other deductions: | | |
| Miscellaneous other deductions: | | |
| 700 Exempt under section 149 390 | 265,674 | |
| Total394 | | |
| Subtotal of other deductions 499 | 265,674 ▶ | 265,674 |
| Total deductions 510 | 265,674 ▶ | 265,674 |
| Net income (loss) for income tax purposes – enter on line 300 of the T2 return | E E EDECHEROLE IN IN IN A SELECTION IN IN | 0 |

^{*} For reference purposes only

T2 SCH 1 E (08)

Canadä



Canada Revenue Agence du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

| Name of corporation | Business Number | Tax year end Year Month Day |
|---|-------------------|--------------------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | 2007-12-31 |

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

| | Provide only of | ne number per sha | reholder | 7 | |
|--|--|--|--|--|--|
| Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) | Business Number | Social insurance number | Trust number | Percentage common shares | Percentage preferred shares |
| 100 | 200 | 300 | 350 | 400 | 500 |
| GRIMSBY POWER INC. | 86487 4839 RC0001 | | | 50.000 | |
| PENINSULA WEST POWER INC. | 89108 9419 RC0001 | | | 50.000 | |
| | | - | () at | | |
| | | - | | | |
| AND SECTION OF THE PROPERTY OF | | | | | |
| | | | | | |
| | | | | | |
| Constitution of Street, and St | | | | - | |
| | (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100 GRIMSBY POWER INC. | Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100 200 GRIMSBY POWER INC. 86487 4839 RC0001 | Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100 Business Number Social insurance number 200 300 GRIMSBY POWER INC. 86487 4839 RC0001 | (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100 200 300 350 GRIMSBY POWER INC. 86487 4839 RC0001 | Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) Business Number Social insurance number Percentage common shares 200 300 350 400 GRIMSBY POWER INC. 86487 4839 RC0001 50.000 |

T2 SCH 50 (06)

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Ministry of Revenue

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

2007

CT23 Corporations Tax and **Annual Return**

For taxation years commencing after December 31, 2004

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) 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 MGS 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 -

| MGS Annual Return Required? (Not required if already Annual Return exempt. | | No Page 1 of 20 | |
|---|---|------------------------------|--|
| Corporation's Legal Name (including punctuation) | | | Ontario Corporations Tax Account No. (MOF) |
| Niagara West Transformation Corporation Mailing Address | | | This Return covers the Taxation Year Start year month day |
| RUSS WOODLAND 28 LAKE ST. | | | 2007-01-01 year month day 2007-12-31 |
| GRIMSBY ON CA L3M 2G7 | | | |
| Has the mailing address changed since last filed CT23 Return? | Date of Change | year month day | Date of Incorporation or Amalgamation year month day |
| Registered/Head Office Address | | | 2003-09-05 |
| 4548 Ontario Street | | | 0.11 |
| Beamsville ON CA LOR 1B5 | | | Ontario Corporation No. (MGS) 1586499 |
| Location of Books and Records | | | |
| 28 LAKE ST | | | Canada Revenue Agency Business No. |
| GRIMSBY ON CA L3M 2G7 | | 9 | 87681 9301 RC0001 |
| Name of person to contact regarding this CT23 Return RUSS WOODLAND | Telephone No. (905) 309-0611 | Fax No. | Jurisdiction Incorporated Ontario |
| Address of Principal Office in Ontario (Extra-Provincial Corp | | (MGS | It not incorporated in Ontario, indicate the date Ontario business activity commenced |
| | | | and ceased: Veal month day Commenced |
| Ontario Canada Former Corporation Name (Extra-Provincial Corporations on | ly) X Not Applicable | , MOS | year month day |
| Tomer outporation name (Extra-1 towners) outporations on | Not Applicable | (MGS | X Not Applicable |
| Information on Directors/Officers/Administrators must be Schedule A or K as appropriate. If additional space is reonly this schedule may be photocopied. State number s | equired for Schedule A, | No. of Schedule(s) | Preferred Language / Langue de préférence X English French anglais français Ministry Use |
| If there is no change to the Directors'/Officers'/Administration submitted to MGS, please check (X) this box. Schedule | | | |
| | Certificat | tion (MGS) | |
| I certify that all information set out in the Annu Name of Authorized Person (<i>Print clearly or type in full</i>) RUSS WOODLAND | al Return is true, corre | ect and complete. | |
| Title Director X Officer Of the Corporations Inform | lividuals having knowledge rporation's business activities nation Act provide penal | ties for making false or mis | leading statements or omissions. |

Niagara West Transformation Corporation

1800380

2007-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

| pe of corporation | |
|--|--|
| 1 X 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)) | This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.) |
| 2 Other Private | Amended Return |
| 3 Public | Taxation year end change – Canada Revenue Agency approval required |
| | |
| 4 Non-share Capital | Final taxation year up to dissolution (Note: for discontinued businesses, see guide.) |
| 5 Other (specify) ▼ | Final taxation year before amalgamation |
| (nearest percent) | The corporation has a floating fiscal year end |
| Share Capital with full voting rights owned by Canadian Residents 100 % | There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario |
| Family Farm corporation s.1(2) Family Fishing corporation s.1(2) | There was an acquisition of control to which subsection 249(4) of the federal <i>Income Tax Act</i> (ITA) applies since the previous taxation year |
| 3 Mortgage Investment corporation s.47 | If checked, date control was acquired year month day |
| 4 Credit Union s.51 | |
| 5 Bank Mortgage subsidiary s.61(4) | The corporation was involved in a transaction where all or substantiall all (90% or more) of the assets of a non-arm's length corporation were |
| 6 Bank s.1(2) | received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario |
| 7 Loan and Trust corporation s.61(4) | Schedule 44.) |
| 8 Non-resident corporation s.2(2)(a) or (b) | First year filing of a parent corporation after winding-up a subsidiary |
| 9 Non-resident corporation s.2(2)(c) | corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.) |
| 10 Mutual Fund corporation s.48 | Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations) |
| 11 Non-resident owned Investment corporation s.49 | Yes No |
| Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b) | X Was the corporation inactive throughout the taxation year? |
| 14 Bare Trustee corporation | Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency? |
| 15 Branch of Non-resident s.63(1) | Are you requesting a refund due to: |
| 16 Financial institution prescribed by Regulation only | X the Carry-back of a Loss? |
| 17 Investment Dealer | X an Overpayment? |
| Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale | X a Specified Refundable Tax Credit? |
| 19 X Hydro successor, municipal electrical utility or subsidiary of either | X Are you a member of a Partnership or Joint Venture? |
| 20 Producer and seller of steam for uses other than for the generation of electricity | Complete if applicable Ontario Retail Sales Tax Vendor Permit no. (Use head office no) Ontario Employer Health Tax Account no. (Use head office no) |
| 21 Insurance Exchange s.74.4 | ACCOUNT TO, (Use rided diffice no.) |
| 22 Farm Feeder Finance Co-operative corporation | |
| 23 Professional corporation (incorporated professionals only) | Specify major business activity |
| | |
| | |

| 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). | ONLY |
|--|----------|
| Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15) | ,812 • |
| Subtract: Charitable donations | 012 6 |
| Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2) | |
| Subtract: Taxable dividends deductible, per federal Schedule 3 | |
| Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R) | |
| Subtract: Federal Part VI.1 tax X 3 5 | |
| Subtract: Prior years' losses applied - Non-capital losses | 812 . |
| From [715] inclusion , | |
| Net capital losses (page 16) × rate 50.000000 % = 714 | • |
| Farm losses From 724 | |
| Limited part archie lea | • |
| Tayable Income (Non-capital Inco) | |
| 10 | <u> </u> |
| Addition to taxable income for unused foreign tax deduction for federal purposes + 11 | |
| Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11) = 20 | |
| Number of Days in Taxation Year | |
| Taxable Income Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | |
| From 10 (or 20 if applicable) | |
| From 10 (or 20 if applicable) • X 30 100.0000 % × 12.5 % X 33 ÷ 73 365 = + 29 | |
| Days after Dec 31, 2003 Total Days | |
| From 10 (or 20 if applicable) • × 30 100.0000 % × 14 % × 34 365 ÷ 73 365 = + 32 | |
| Ontario Allocation Income Tax Payable (before deduction of tax credits) 29 + 32 | No. |
| Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 | • |
| 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 X No | |
| * Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) | |
| 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 | |
| = | |
| Federal Business limit (line 410 of the T2 Return) for the year | |
| before the application of fed.s.125(5.1) <u>55</u> 400,000 • | |
| Ontario Business Limit Calculation | |
| Days after Dec. 31, 2002 and before Jan 1, 2004 | |
| $320,000 \times \boxed{31} \div ^{**} 365 = + \boxed{46}$ | |
| | |
| Days after Dec 31, 2003 Percentage of Federal | |
| 400,000 x 34 365 ÷ 365 = + 47 400,000 Business limit (from T2 Schedule 23). | |
| Enter 100% if | |
| Business Limit not associated. | |
| for Ontario purposes 46 + 47 = 44 400,000 × 48 100.0000 % = 45 400,000 • | |
| ncome eligible for the IDSBC From 30 100.0000 % x 56 | |
| ***Ontario Allocation Least of 50 54 or 45 | |
| Least of Collins and Collins a | _• |
| | |
| * Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.) | |
| Note, Modified by 5.4 f(o) 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: Adjust accordingly for a floating taxation year and use 366 for a leap year. | • |

1800380

2007-12-31

DOLLARS ONLY

| Income Tax continued from Page | m Page | from | continued | Tax | me | cor | ln |
|--------------------------------|--------|------|-----------|-----|----|-----|----|
|--------------------------------|--------|------|-----------|-----|----|-----|----|

| Calculation of IDSBC Rate | Number of Days In Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days 7 % X 31 ÷ 73 365 | + 89 . |
|---|--|---|
| IDSBC Rate for Taxation Year 89 + 90 | 8.5 % x Days after Dec. 31, 2003 Total Days 34 365 ÷ 73 365 = | + 90 8.5000 = 78 8.5000 |
| IDSBC Rate for Laxation Year [69] 7 [90] | | - 76 8.3000 |
| Claim From 60 | x From 78 8.5000 % | = 70 |
| Corporations claiming the IDSBC must complete the Surtax section below if the (or if associated, the associated group's taxable income) is greater than the am | | |
| Surtax on Canadian-controlled Private Corporations (s.4 | 11.1) | |
| Applies if you have claimed the Incentive Deduction for Small Business Corporate | rations. | |
| Associated Corporation - The Taxable Income of associated corporations is for the taxation year ending on or before the date of this corporation's taxation year. | | |
| *Taxable Income of the corporation | From 10 (or 20 if applicable) | + 80 |
| If you are a member of an associated group (X) 81 (Yes) | | |
| | Ontario Corporations Tax | |
| Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule) | Account No. (MOF) Taxation Year End (if applicable) | Taxable Income (if loss, enter nil) |
| | | + 82 |
| | | + 83 |
| Aggregate Taxable Income 80 + 82 + 83 + 84 , etc. | | + 84 • |
| Number of Days In Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | | |
| 320,000 X 31 ÷ 73 365 = + 115 | <u> </u> | |
| 400,000 × 34 365 ÷ 73 365 = + 116 | 400,000 • | |
| | | |
| 115 + 116 = | 400,000 • | - 114 400,000 • |
| (If negative, enter nil) | | = 86 |
| | Number of Days in Taxation Year | |
| | Days after Dec. 31, 2002 Total Days | |
| Calculation of Specified Rate for Surtax | 4.6670 % X 38 365 ÷ 73 365 = | + 97 4.6670 |
| From 86 x From 97 | 4.6670 % ' = | 87 |
| From 87 | • ÷ From 114 400,000 • = | 88 |
| Surtax Lesser of 70 or 88 | | 100 |

^{*} Note: Short Taxation Years - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

DOLLARS ONLY

| Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17) |
|--|
| 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) • From 56 |
| Add: Adjustment for Surtax on Canadian-controlled private corporations |
| From 100 • ÷ 100.0000 % ÷ 178 8.5000 % = 121 • *Ontario Allocation |
| Lesser of 56 or 121 |
| 120 - 56 + 122 = 130 |
| Taxable income + From 10 |
| Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) |
| Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122 |
| Subtract: Taxable Income 10 X Allocation % to jurisdictions outside Canada 140 |
| Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses |
| 10 - 56 + 122 - 140 - 141 = 142 |
| Claim Number of Days In Taxation Year Days after Dec 31, 2002 and before Jan. 1, 2004 Total Days |
| 143 X From 30 100.0000 % X 1.5 % X 33 ÷ 73 365 = + 154 Lesser of 130 or 142 Ontario Allocation |
| Days after Dec. 31, 2003 Total Days Year 30 100.0000 X 2 % X 34 365 ÷ 73 365 = + 156 Lesser of 130 or 142 Ontario Allocation Ontario |
| M&P claim for taxation year 154 + 156 = 160 |
| * 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 |
| Manufacturing and Processing Profits Credit for Corporations that Produce |
| and Sell Steam for uses other than the Generation of Electricity |
| 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) |
| 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 • |
| continued on Page 7 |

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | axation Year End | CT23 | Page 7 of 20 |
|---|--|------------------------|-----------|--------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 | | DOLLARS ONL |
| Income Tax continued from Page 6 | | | | |
| Specified Tax Credits (Refer to Guide) | | | | |
| Ontario Innovation Tax Credit (OITC) (s.43.3) A Eligible Credit From 5520 OITC Claim Form (Attach origi | | elopment in Ontario. | + 191 | |
| Co-operative Education Tax Credit (CETC) (s.4 Eligible Credit From 5798 CT23 Schedule 113 (Attach Sc | | | + [192] | |
| Ontario Film & Television Tax Credit (OFTTC) Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Eligible Credit From 5850 of the Certificate of Eligibility is (Attach the original Certificate of Eligibility) | Name of Production | in (OMDC) | + 193 | |
| Graduate Transitions Tax Credit (GTTC) (s.43.6 Applies to employment of eligible unemployed post second commencing prior to July 6, 2004 and expenditures incurre Eligible Credit From 6598 CT23 Schedule 115 (Attach Science | dary graduates, for employment 194 drior to January 1, 2005. | of Graduates From 6596 | + 195 | |
| Ontario Book Publishing Tax Credit (OBPTC) (Applies to qualifying expenditures in respect of eligible liter Eligible Credit From 6900 OBPTC Claim Form (Attach be | rary works by eligible Canadian authors. | ligibility) | + 196 | |
| Ontario Computer Animation and Special Effer Applies to labour relating to computer animation and special Eligible Credit From 6700 of the Certificate of Eligibility iss Attach the original Certificate of Eligibility) | al effects on an eligible production. | n (OMDC) | + 197 | |
| Ontario Business-Research Institute Tax Credi Applies to qualifying R&D expenditures under an eligible re Eligible Credit From 7100 OBRITC Claim Form (Attach or | esearch institute contract. | | + 198 | |
| Ontario Production Services Tax Credit (OPST Applies to qualifying Ontario labour expenditures for eligible Credit From 7300 of the Certificate of Eligibility issuated the original Certificate of Eligibility) | e productions where the OFTTC has not been clain | | +[199] | |
| Ontario Interactive Digital Media Tax Credit (O Applies to qualifying labour expenditures of eligible producitigible Credit From 7400 of the Certificate of Eligibility iss | ts for the taxation year. | 1 (OMDC) | + 200 | |
| Ontario Sound Recording Tax Credit (OSRTC) Applies to qualifying expenditures in respect of eligible Car Ligible Credit From 7500 OSRTC Claim Form (Attach bo | nadian sound recordings. | igibility) | + 201 | |
| apprenticeship Training Tax Credit (ATTC) (s.4. applies to employment of eligible apprentices. ligible Credit From 5898 CT23 Schedule 114 (Attach Sci. | 202 | Apprentices From 5896 | + 203 | • |
| Other (specify) | | | +[203 1] | |
| otal Specified Tax Credits 191 + 192 + 193 + | 195 + 196 + 197 + 198 + 199 + 200 + 201 | + 203 + 203.1 | = 220 | • |
| pecified Tax Credits Applied to reduce Income Ta | ах | | =[225] | • |
| ncome Tax 190 - 225 OR Enter NIL if report | ing Non-Capital Loss (amount cannot be negative) | | =[230]_ | |
| To determine if the Corporate Minimum Tax (CMT) is a on Page 8. If CMT is not applicable, transfer amount in | | | r the CMT | |
| If CMT is not applicable for the current taxation year but income tax otherwise payable, then proceed to and com- | | | | |

DOLLARS ONLY

| Total Assets of the corporation | | | + 240 7,321,699 | + 241 671,556 |
|---|--|-----------------------------------|-------------------------------------|---------------------------------|
| The above amounts include the corporation's and asso | ciated corporations' share of a | ny partnership(s)/join | t venture(s) total assets and i | total revenue. |
| 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 |
| | | | + [243] | + 244 |
| | | A2500 11 | | + 246 |
| Aggregate Total Assets 240 + 243 + 245 + [Aggregate Total Revenue 241 + 244 + 246 + [| See | * * * * * * | + 247 = 249 7,321,699 • | + 248 • 671,556 • |
| Determination of Applicability | | | | |
| Applies if either Total Assets 249 exceeds \$5,000,0 | 000 or Total Revenue 250 | exceeds \$10.000 000. | | |
| Short Taxation Years – Special rules apply for determinany fiscal period of any partnership(s) / joint venture(s) c | ning total revenue where the ta | xation year of the corpo | pration or any associated corp | oration or |
| Associated Corporation – The total assets or total revious or before the date of the claiming corporation's taxatic | enue of associated corporation | | | |
| f CMT is applicable to current taxation year, complete se | ection Calculation: CMT belo | w and Corporate Mini | mum Tax Schedule 101. | |
| Calculation: CMT (Attach Schedule 101.) | | | | |
| Gross CMT Payable CMT Base From S | Schedule 101 2136 If negative, e | x From 30 | 100.0000 % X 4 % Ontario Allocation | = 276 |
| Subtract: Foreign Tax Credit for CMT purposes (Attach Subtract: Income Tax | Schedule) | | | 277 • mm 190 • |
| Net CMT Payable (If negative, enter Nil on Page 17.) |) | | | 280 |
| f [280] is less than zero and you do not have a CMT c | redit carryover, transfer 230 | from Page 7 to Inco | ome Tax Summary, on Page | 17. |
| f 280 is less than zero and you have a CMT credit ca | arryover, complete A & B below | l _• | | |
| [280] is greater than or equal to zero, transfer [230] credit Carry overs. | to Page 17 and transfer 28 | to Page 17, and to | Part 4 of Schedule 101: Cor | ntinuity of CMT |
| CMT Credit Carryover available From Sci | hedule 101 | H H H H H | Fro | m 2333 • |
| Application of CMT Credit Carryovers | | | | |
| Gross CMT Payable Subtract: Foreign Tax Credit for CMT purposes If 276 - 277 is negative, enter NIL in 290 | | - + From 276 _ From 277 _ = | + Fn | om 190 • |
| Income Tax eligible for CMT Credit | | | | 300 |
| Income Tax (after deduction of specified credits) Subtract: CMT credit used to reduce income taxes Income Tax | | | + Fr | 230 • 310 • Transfer to page 17 |
| A & B apply, 310 cannot exceed the lesser of | 230 , 300 and your CMT o | credit carryover avail | able 2333 . | St. 37 |
| only B applies, 310 cannot exceed the lesser of | 230 and your CMT credit | carryover available | 2333 . | |

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

If your corporation is a Financial Institution (s.58(2)), complete lines

430 on page 10 then proceed to page 13.

480 and

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 and 480 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(2)(a) or 2(2)(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 2,400,10 | <u> </u> |
| Retained earnings (if deficit, deduct) (Int.B. 3012R) | 19. |
| Capital and other surpluses, excluding appraisal surplus (Int.B.3012R) | • |
| Loans and advances (Attach schedule) (Int.B. 3013R) + 353 5,571,00 | 00 • |
| Bank loans (Int.B. 3013R) + 354 | _• |
| Bankers acceptances (Int.B. 3013R) + 355 | • |
| Bonds and debentures payable (Int.B. 3013R) | • |
| 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 | 00 • |
| be included in paid-up capital for the purposes of the large corporations tax, (int. b. 501517) | |
| Contingent, investment, inventory and similar reserves (inc.b. 301217) | - Table |
| Other reserves not allowed as deductions for income tax purposes (Attach screedile) (Int.) | |
| Share of partnership(s) of joint venture(s) paid-up capital (Attach Schodulo(s)) (IIII.B. 35 111) | 31 - |
| Subtotal $ -$ | |
| Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R) | 38 . |
| Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R) | |
| Total Paid-up Capital = 380 5,847,49 | 33 . |
| Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R) | • |
| 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 Net Paid-up Capital September 1. September 2. September 2. September 3. September 2. September 3. Septemb | 93 • |
| | |
| 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) Mortgages due from other corporations | |
| Shares in other corporations (certain restrictions apply) (Refer to Guide) | • |
| Loans and advances to unrelated corporations + 405 | • |
| Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide) | • |
| Share of partnership(s) or joint venture(s) eligible investments (Attach schedule) | • |
| Total Eligible Investments = 410 | _• |
| continued on Page 10 | |

| Capital lax continued from Page 9 | CT23 | Page 10 of 20 |
|--|---------|---------------|
| Total Assets (Int.B. 3015R) | | DOLLARS ONLY |
| Total Assets per balance sheet | + 420 | 7,321,699 • |
| Mortgages or other liabilities deducted from assets | + 421 | |
| Share of partnership(s)/joint venture(s) total assets (Attach schedule) | + 422 | |
| Subtract: Investment in partnership(s)/joint venture(s) | - 423 | \ |
| Total Assets as adjusted | = 430 | 7,321,699 |
| Amounts in 360 and 361 (if deducted from assets) | + 440 | 1/22/22 |
| Subtract: Amounts in 371, 372 and 381 | - 441 | 1,023,088 |
| Subtract: Appraisal surplus if booked | - 442 | 1,025,000 |
| Add or Subtract: Other adjustments (specify on an attached schedule) | ± 443 | <u> </u> |
| Total Assets | = 450 | 6,298,611 |
| Investment Allowance (410 ÷ 450) x 390 Not to exceed 410 | = [460] | |
| Taxable Capital 390 – 460 | = 470 | 5,847,493 |
| Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 48 | | 671,556 |
| Total Assets (as adjusted) | | |
| From 43 | 011 | 7.321.699 |

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004. 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.

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 on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

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 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 after Dec 31, 2004 and before Jan 1, 2006 Total Days 7,500,000 × 36 ÷ 73 365 501 Total Days Days after Dec. 31, 2005 and before Jan. 1, 2007 10,000,000 × ÷ 73 365 502 Total Days Days after Dec. 31, 2006 and before Jan. 1, 2008 12,500,000 × 38 365 ÷ 73 365 504 12,500,000 Days after Dec. 31, 2007 Total Days 15,000,000 x 39 ÷ 73 365 505 Taxable Capital Deduction (TCD) | 501 + | 502 + | 504 + | 505 12,500,000 . This section applies to corporations to calculate the prorated capital tax rate.

Calculation of Capital Tax Rate



continued on Page 11

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Niagara West Transformation Corporation

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Capital Tax Calculation continued from Page 10

| nom-material | |
|--|---|
| SECTION C | |
| This section applies if the corporation | n 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 e and complete the return from t | xceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, hat point. |
| + From 470 5,847,49 - From 503 12,500,00 = 471 | |
| SECTION D | |
| | oration that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E |
| 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. |

D2. Calculation is on next page

| D2. Calculation Do not complete this calculation if ss. | .69(2.1) election is f | iled | | DOLLARS O |
|---|--|---|---|--|
| Taxable Capital From 470 on page 10 | | | + | From 470 |
| Determine aggregate taxable capital of an associated g | group (excluding f | inancial institutions and | Portract Friday • 100 | |
| corporations exempt from capital tax) and/or partnersh. Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule) | C A | Anent establishment in Contario Corporations Tax Account No. (MOF) If applicable) | anada Taxation Year End | Taxable Capital |
| (ii msumcieni space, attach schedule) | , , , , , , , , , , , , , , , , , , , | | | + [531] |
| | - | | | + 532 |
| Aggregate Taxable Capital 470 + 531 + 532 + 533 |], etc | | | + 533 = 540 |
| | | | | |
| year, is NIL. | | | 10, the corporation's (| Capital Tax for the taxat |
| Enter NIL in 523 in s | | | | |
| If 540 above is greate the TCD below in orde | er than the TCD er to calculate its | Capital Tax for the tax | corporation must com cation year under Sect | pute its share of ion E below. |
| From 470 | ÷ From 540 | _ X From 5 | 03 | = [541] Transfer to [542] in Section E |
| Ss.69(2.1) Election Filed | | | | m sesiion 2 |
| [591] (X if applicable) Election filed. Attach a copy Proceed to Section F below. | | vith this CT23 Return. | | |
| CTION E | | | | |
| section applies if the corporation is a member of an associated Capital 540 above, exceeds the TCD 503 on page | 10. | | | |
| plete the following calculation and transfer the amount from | [523] to [543], and | complete the return from | that point. | |
| | 0000 % × From E | 0.2250 % X Capital Tax Rate * | Days in taxation year 555 365 = 365 = 365 (366 if leap year) | Total Capital Tax the taxation year = + 523 Transfer to 543 and com the return from that |
| CTION F | E ESTRUM | | | |
| section applies if a corporation is a member of an associated | group and the asso | ociated group has filed a se | s.69(2.1) election | |
| + From 470 | 000 X From 510 | 6 <u>0.2250</u> % Capital Tax Rate | | 561 |
| - Capital tax deduction from 995 relating to your corpo | ration's Capital Ta | x deduction, on Schedule (| 591 | From 995 562 |
| NOT RECEIVED | | Days in taxation year | | Total Capital Tax the taxation year |
| ital Tax 562 | x | * 365 (366 if leap year) | | Transfer to 543 and com |
| pating taxation year, refer to Guide. | | | | the return nom that |
| | Contractor | | | |
| ital Tax before application of specified credits | | | | = 543 |
| ract: Specified Tax Credits applied to reduce capital tax payab | ole (Refer to Guide) | | | - [546] |
| ital Tax 543 - 546 (amount cannot be negative) | | | | = 550 |
| inued on Page 13 | | | | Transfer to Pa |

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Niagara West Transformation Corporation

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Capital Tax continued from Page 12

| Ca | Iculation of Capital Tax for Financial Institutions | |
|-------|--|--|
| | Credit Unions only taxation years commencing after May 4, 1999 enter NIL in 550 on page 12, and complete the return from that point. | |
| 1 2 | Other than Credit Unions | |
| | tain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.) | |
| | Days in taxation year | |
| 565 | Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1 Section 100.0000 % x 555 365 = Ontario Allocation * 365 (366 if leap year) | + 569 |
| | Days in taxation year | |
| 570 | Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount Adjusted Taxable (2) Ontario Allocation * 365 (366 if leap year) Capital Tax Rate (2) Ontario Allocation * 365 (366 if leap year) | + 574 |
| | oital Tax for Financial Institutions – other than Credit Unions (before Section 2) 569 + 674 | = [575] |
| 2. 5 | Small Business Investment Tax Credit | The state of the s |
| Ret | ain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving redit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.) | |
| Allov | vable Credit for Eligible Investments | - 585 |
| ina | ncial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) | |
| Сар | ital Tax - Financial Institutions 575 - 585 | = [586] • Transfer to [543] on Page 12 |
| re | emium Tax (s.74.2 & 74.3) (Refer to Guide) | |
| | Uninsured Benefits Arrangements | = [588] |
| | 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. | |
|)edu | act: Specified Tax Credits applied to reduce premium tax (Refer to Guide) | _ [589] |
| rei | nium Tax [588] — [589] | = [590] |

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] | 177,812 • Transfer to Page 15 |
|---|------------------|----------------|----------------------------------|
| Add: | | | Transfer to Fuge 15 |
| Federal capital cost allowance | + 801 | 720 | |
| Federal cumulative eligible capital deduction | + 602 | _ | |
| Ontario taxable capital gain | + 603 | - | |
| Federal non-allowable reserves. Balance beginning of year | + 604 | | |
| Federal allowable reserves. Balance end of year | + 605 | | |
| Ontario non-allowable reserves. Balance end of year | + 606 | - | |
| 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 | <u>-</u> | |
| Federal depletion allowance | + 610 | - | |
| Federal foreign exploration and development expenses | + 611 | 4 | |
| Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide) | + 617 | _ | |
| Management fees, rents, royalties and similar payments to non-arms' length non-residents | 1 00 | | |
| | | | |
| Number of Days in Taxation Year Days efter | | | |
| Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | | | |
| 612 • X 5 / 12.5 X 33 ÷ 73 365 =+633 | | | |
| Days offer | | | |
| Days after Dec. 31, 2003 Total Days | | | |
| 612 | | | |
| | | | |
| 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 | = | . 640 | |
| | | | Transfer to Page 15 |
| n 1 1 | | | |
| Deduct: | | | |
| Ontario capital cost allowance (excludes amounts deducted under 675) | + 650 | • | |
| Ontario cumulative eligible capital deduction | + 651 | | |
| Federal taxable capital gain | + 652 | • | |
| Ontario non-allowable reserves. Balance beginning of year | + 653 | • | |
| Ontario allowable reserves. Balance end of year | + 654 | • | |
| Federal non-allowable reserves. Balance end of year | + 655 | • | |
| 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 | Transfer to Page | <u>•</u> 15 | |
| continued on Page 15 | | | |

| Corporation's Legal Name | Ontar | io Corporations Tax Account No. (MOF) | Taxation Year End | CT23 | Page 15 of 20 |
|--|--|--|-------------------|-------------|---------------------------------|
| Niagara West Transformation Co | rporation | 1800380 | 2007-12-31 | | DOLLARS ONLY |
| Reconcile net income (loss) for Ontario purposes if amoun continued from Page 14 | | tax purposes with net income | e (loss) | | |
| Net Income (loss) for federal income tax p | ourposes, per federal Sche | edule 1 | | From ± 600 | 177,812 • |
| Total of Additions on page 14 - | | | | From = 640 | • |
| Sub Total of deductions on page 14 | | From | = [681] | | |
| Deduct: | | | | | |
| Ontario New Technology Tax Incenti (Applies only to those corporations who | | ss than 100% in the current taxation yea | r.) | | |
| Capital Cost Allowance (Ontario) (CCA) intellectual property deducted in the curr ONTTI Gross-up deduction calculation | rent taxation year | [662] <u>•</u> | | | |
| Gross-up of CC | | | | | |
| From 662 x | 100 30 100.0000 Ontario Allocation | - From 662 <u>●</u> | = [663] | • | |
| Workplace Child Care Tax Incentive (Applies to eligible expenditures incurre | | 5.) | | | |
| Qualifying expenditures: | 65] | X 30 % X 100 From 30 100.0000 Ontario allocation | = 666 | | |
| Workplace Accessibility Tax Incentive (Applies to eligible expenditures incurred) | | 5.) | | 7 | |
| Qualifying expenditures: | 57 <u>•</u> | X 100 % X 100 From 30 100.0000 Ontario allocation | = [668] | • | |
| Number of Employees accommodated | 669 | | | | |
| Ontario School Bus Safety Tax Incer (Applies to the eligible acquisition of sc after May 4, 1999 and before January 1, | hool buses purchased | | | | |
| Qualifying expenditures: | 70] | x 30 % x 100 From 30 100.0000 Ontario allocation | = [671] | • | |
| Educational Technology Tax Incention (Applies to eligible expenditures incurred) | | 5.) | | | |
| Qualifying expenditures: | 72] | X 15 % X 100 From 30 100.0000 Ontario allocation | = [673] | • | |
| Ontario allowable business investme | ent loss | | + 678 | | |
| Ontario Scientific Research Expense | es claimed in year in 4 | 77 from Ont. CT23 Schedule 161 | + 679 | • | |
| Amount added to income federally for federal form T661, line 454 or 455 (if | or an amount that was n filed after June 30, 2003 | egative on) | + [677] | • | |
| Total of other deductions allowed by | Ontario (Attach schedul | θ) | + 664 | | |
| Total of Deductions 681 + 663 + | 666 + 668 + 671 + 67 | 73 + 678 + 679 + 677 + 664 | = | . > 680 | |
| Net income (loss) for Ontario | Purposes 600 + [| 640][680] | | = 690 | 177,812 • Transfer to Page 4 |

Continuity of Losses Carried Forward

DOLLARS ONLY

| | | Non-Capital Losses (1) | Total Capital Losses | Farm Losses | Restricted Farm Losses | Listed Personal Property Losses | Limited Partnership Losses (6) |
|-----------|--|---------------------------|-------------------------|--------------------|------------------------|------------------------------------|-----------------------------------|
| Balance a | t Beginning of Year | 700 (2) 727,661 | 710 (2) | 720 (2) | 730 | 740 | 750 |
| Add: | Current year's losses (7) | 701 | 711 | 721 | 731 | 741 | 751 |
| | Losses from predecessor corporations (3) | 702 | 712 | [722] | 732 | | 752 |
| Subtotal | | 703 | 713 | 723 | 733 | 743 | 753 |
| Subtract: | Utilized during the year to reduce taxable income | 704 (2) 177,812 | 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 | |
| Subtotal | | 707 177,812 | 717 | 727 | 737 | 747 | 757 |
| Balance a | t End of Year | 709 (8) 549,849 | 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 | B17 (9) | 860 (9) | | 850 | 870 |
| | 1998-12-31 8th preceding taxation year | | | | | |
| 801 | 1999-12-31 | 818 (9) | 861 (9) | 1 | 851 | 871 |
| 802 | 7th preceding taxation year | 819 (9) | 862 (9) | | [neal | [000] |
| | 2000-12-31 | [019](9) | 002 (9) | | 852 | 872 |
| 803 | 6th preceding taxation year 2001-12-31 | 820 | 830 | B40 | 853 | 873 |
| 804 | 5th preceding taxation year | [821] | 831 | 841 | 854 | 874 |
| | 2002-12-31 | | | | | |
| 805 | 4th preceding taxation year | 822 | 832 | 842 | 855 | 875 |
| | 2003-12-31 3rd preceding taxation year | | | | | |
| 806 | and preceding taxation year | 823 | 833 | 843 | 856 | 876 |
| | 2004-12-31 | 47,953 | | | | |
| 807 | 2nd preceding taxation year | 824 | 834 | 844 | 857 | 877 |
| | 2005-12-31 | 344,575 | | | | |
| 808 | 1st preceding taxation year | 825 | 835 | 845 | 858 | 878 |
| | 2006-12-31 | 157,321 | | | | |
| 809 | Current taxation year | 826 | 836 | B46 | 859 | 879 |
| | 2007-12-31 | | | | | |
| Total | | 549,849 | 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.

Application of Losses

Non-Capital

Losses

Niagara West Transformation Corporation

1800380

2007-12-31

DOLLARS ONLY

Restricted Farm

Losses

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.

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

- 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,

Total Capital

- 2) 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.

Farm Losses

 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.

| | | | [000] | [000] | 040 | | |
|--|-------------------------------------|----------------------|--|--|--|--|--|
| Total amount of loss | | 910] | 920 | 930 | 940 | | |
| Deduct: Loss to be carried back to preceding taxation y and applied to reduce taxable income | | | | | | | |
| Predecessor Ontario Corporation's Tax Account No. (MOF) | Taxation Year Ending year month day | 911 | 921 | 931 | 941 | | |
| i) 3 rd preceding | 2004-12-31 | 912 | 922 | 932 | 942 | | |
| ii) 2 [™] preceding | 2005-12-31 | | | 933 | 943 | | |
| iii) 1* preceding | 2006-12-31 | 913) | 923 | | | | |
| Total loss to be carried back | | From 706 | From 716 | From 726 | From [736] | | |
| Balance of loss available for carry-forward | | 919 | 929 | 939 | 949 | | |
| Summary | | Certification | n | | | | |
| Income Tax + From 230 or 3 | 20 | I am an authorize | d signing officer of the | corporation. I certify the | nat this CT23 | | |
| Corporate Minimum Tax + From 2 | 80 | return has been e | 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 | | | | |
| Capital Tax+ From 5 | 50 | that the information | on is in agreement with at the financial stateme | the books and recorded the accurately reflect | s of the corporation. the financial | | |
| Premium Tax+ From 5 | 90 | position and opera | ating results of the corp Tax Act. The method o | poration as required un | nder section 75 of | | |
| Total Tax Payable = [9 | 50 | is consistent with | that of the previous year | ar, except as specifica | ally disclosed in a | | |
| Subtract: Payments 9 | 60 | | | | | | |
| Oupital Game (Gire) | 65 | Name (please pri | nt) | | | | |
| Qualifying Environmental Trust Tax Credit (Refer to Guide) | 85] | RUSS WOOD! | LAND | | | | |
| Specified Tax Credits (Refer to Guide) 9 | 55] | Title | | | | | |
| Other, specify | | DIRECTOR | | | | | |
| Balance = 9 | 70 | Full Residence A | ddress | | | | |
| If payment due Enclosed * 9 | • 00 | | | | | | |
| If overpayment: Refund (Refer to Guide) - = [9 | 75 | | * | | | | |
| year month day | | | | | | | |
| Apply to [| (Includes credit interest) | Signature | | Date | | | |
| * Make your cheque (drawn on a Canadian financial in order in Canadian funds, payable to the Minister of | Finance and print | Note: Section 76 | of the Corporations Ta | ax Act provides penalti | ies 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 |
|--|--|---|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |
| Part 1: Calculation of CMT Base | 1000300 | 2007-12-31 |
| Banks - Net income/loss as per report accepted by Superintendent of Finance | ial Institutions (SFI) | |
| under the Bank Act (Canada), adjusted so consolidation/equity methods are r | not used. | |
| Life Insurance corporations – Net income/loss before Special Additional Ta | | |
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) Subtract (to the extent reflected in net income/loss): | ± 21 | 00 184,881 |
| CALLEY TO CO. OF THE SECOND SE | [2404] | |
| Provision for deferred income taxes (credits) / benefit of future | + 2101 | |
| income taxes | + [2102] 100,000 | |
| Equity income from corporations | | |
| Share of partnership(s)/joint venture(s) income | | |
| Dividends received/receivable deductible under fed.s.112 Dividends received/receivable deductible under fed.s.113 | | |
| | | |
| Dividends received/receivable deductible under fed.s.83(2) Dividends received/receivable deductible under fed.s.138(6) | | |
| Federal Part VI.1 tax paid on | • | |
| dividends declared and paid, | | |
| | + [2109] | |
| Subtotal Add (to extent reflected in net income/loss): | = 100,000 • ► - 21 | 100,000 |
| | + [2111] | |
| Provision for deferred income taxes (debits) / cost of future | • [2111] | |
| income taxes | + 2112 | |
| Equity losses from corporations | | |
| Share of partnership(s)/joint venture(s) losses | + 2114 | |
| Dividends that have been deducted to arrive at net income per Financial | | |
| A STATE OF THE STA | + [2115] | |
| Subtotal | ▶ + 21 | 16 |
| Amounts relating to s.57.9 election/regulations for disposals etc. of property | / for current/prior years | |
| CONTRACTOR OF TOURS | - [2118] | |
| | 2120 | |
| ** Fed.s.97 + 2121 or - | 2122 | |
| ** Amounts relating to amalgamations | | |
| (fed.s.87) as prescribed in regulations for current/prior years | - 2124 | |
| ** Amounts relating to wind-ups (fed.s.88) | - [2124] | |
| as prescribed in regulations for current/ prior years | [2426] | |
| ** Amounts relating to s.57.10 election/ | - 2126 | |
| regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years + 2127 | 2128 | |
| Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not | 2120 | |
| otherwise deducted in determining CMT adjusted net income | 2150 | |
| Capital gains on eligible donations of publicly-listed securities and ecologically sensitive land made after May 1, 2006 (to the extent | | |
| reflected in net income/loss) | 2155 | |
| Subtotal (Additions) = | + 212 | 29 |
| Subtotal (Subtractions) = | . ▶ - 213 | |
| ** Other adjustments | ± 213 | 31 |
| Subtotal $\pm 2100 - 2110 + 2116 + 2129 - 2130 \pm 2131$ | | |
| ** Share of partnership(s)/joint venture(s) adjusted net income/loss | ± 213 | |
| Adjusted net income (loss) (if loss, transfer to 2202 in Part 2: Continuity of CMT Los | sses Carried Forward.) = 213 | |
| Deduct: * CMT losses: pre-1994 Loss + Fron | 2210 | |
| * CMT losses: other eligible losses + | 2211 84,881 • | (Particularies de la constantidad de la constantid |
| + CMT leaves and independent and a little in the interest and a little in the interest and interest a | 84,881 • - 213 | 84,881 . |
| * CMT losses applied cannot exceed adjusted net income or increase a loss ** Retain calculations. Do not submit with this schedule. | | |
| CMT Base | = 213 | |
| | Transfer to CMT Base on Page 8 of | |

Corporate Minimum Tax (CMT) CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |
| Part 2: Continuity of CMT Losses Carried Forward | | |
| Balance at Beginning of year NOTES (1), (2) | + 2201 | 607,256 |
| Add: Current year's losses Losses from predecessor corporations on amalgamation NOTE (3) Losses from predecessor corporations on wind-up NOTE (3) | + [2203] + [2204] | |
| Amalgamation (X) 2205 Yes Wind-up (X) 2206 Yes | | 7 |
| Adjustments (attach schedule) | | |
| CMT losses available | - | 607,256 • |
| Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) Losses expired during the year | + 2211 84,881 • + 2212 • | |
| Subtotal | | |
| Balances at End of Year NOTE (5) 2209 - 2213 | = 2214 | 522,375 |
| Notes: | | |
| balance at beginning of the year. Attach schedule showing am | clude and indicate whether CMT losses are nalgamation to which fed.s.87 applies and lich fed.s.88(1) applies. (see s.57.5(8) and | /or a wind-up to |
| the utilization of CMT losses can be restricted. (see s.57.5(3) | MT losses must be used to the extent of th justed net income 2134 and CMT losses nount in 2214 must equal sum of 2270 | available 2209. |

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

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

| | Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|--------|---|---------------------------|---|
| 2240 | 9th preceding taxation year | 2260 | 2280 |
| | 1998-12-31 | | |
| 2241 | 8th preceding taxation year 1999-12-31 | 2261 | 2281 |
| 2242 | 7th preceding taxation year 2000-12-31 | 2262 | [2282] |
| 2243 | 6th preceding taxation year | [2263] | [2283] |
| 2244 | 2001-12-31 5th preceding taxation year | 2264 | 2284 |
| 2244 | 2002-12-31 | 2204 | [224] |
| 2245 | 4th preceding taxation year | 2265 | 2285 |
| | 2003-12-31 | | |
| 2246 | 3rd preceding taxation year | 2266 | 2286 |
| | 2004-12-31 | 163,343 | |
| 2247 | 2nd preceding taxation year | 2267 | 2287 |
| | 2005-12-31 | 258,710 | |
| 2248 | 1st preceding taxation year | 2268 | 2288 |
| | 2006-12-31 | 100,322 | |
| 2249 | Current taxation year | 2269 | 2289 |
| | 2007-12-31 | | |
| Totals | | 2270 | [2290] |
| | | 522,375 | |

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

| 012 | 3 Schedule 101 | | | | |
|--------------------------------------|---|---|---------------------------------------|--|-------------------------------|
| Corpo | ration's Legal Name | | | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
| Niag | gara West Transformation | n Corporation | | 1800380 | 2007-12-31 |
| | 4: Continuity of CMT | | | | |
| Balan | ce at Beginning of year | | | + 230 | 01 |
| Add: | Current year's CMT | Credit (280 on page 8 of t | he CT23 | | |
| _ | or [347] on page 6 o | of the CT8. If negative, enter | NIL) + From 280 | or 347 | |
| | | юте (2) 312 on page 5 of C | CT8. | | |
| | nsurance corporations or s enter NIL.) | | | | |
| | act Income Tax | | • | | |
| (190 | on page 6 of the CT23 of | | 20 P | | |
| 22 2 3 3 | page 4 of the CT8) | | • | | |
| | tal (If negative, enter NIL | | | - [2305] | |
| | | egative, enter NIL) 280 or 3 | | - + 231 | |
| CMIC | | redecessor corporations NOT | | + 232 | 5 |
| 0 | |) 2315 Yes Wind-up | | NOTE OF THE PROPERTY OF THE PR | |
| | tal 2301 + 2310 + 23 | | | = 233 | |
| | ments (Attach schedule) | | | SANCONOMINA DE SE DE DE DE DE DESCRIPCIONES DE DE DE DE DE DE DE DESCRIPCIONES DE L'ACTUALISME | 2 |
| CMT | Credit Carryover availab | ole 2330 ± 2332 | | = 233 | - |
| Subtra | act: CMT Credit utilized o | during the year to reduce inc | ome tav | Transfer to Page 8 of | the CT23 or Page 6 of the CT8 |
| | (310) on page 8 of the | e CT23 or 351 on page 6 of th | e CT8) + From 310 | or 351 | |
| | CMT Credit expired of | during the year | , , , , , , , , , , , , , , , , , , , | 2334 | |
| Subto | 4-1 | | | | 5 |
| Balan | ce at End of Year NOTE (4 | 4) [2333] - [2335] | | = 2330 | |
| Notes. | | | | 80 H 90 90 % 00 seepay | |
| (1) WI | nere acquisition of control | I of the corporation has occu | urred, the utilization | of CMT credits can be restricted. (see s. | 43.1(5)) |
| (2) The | e CMT credit of life insura | ance corporations can be res | stricted (see s.43.1(| 3)(b)). | |
| (3) Inc | .s.88(1) applies. (see s.4 | er CMT credits are a result of | r an amalgamation i | to which fed.s.87 applies and/or a wind-u | up to which |
| | | al sum of 2370 + 2390 . | | | |
| | | | d Balanca I - Va | 1011 | |
| raits | Year of Origin | edit Carryovers Year En CMT Credit Carryovers | | and the second of the second o | |
| | (oldest year first) | of Corporation | CMT Credit Carry | | |
| | year month day | | | | |
| 2340 | 9th preceding taxation year | 2360 | 2380 | | |
| (0044) | 1998-12-31 8th preceding taxation year | (0004) | [| | |
| 2341 | 1999-12-31 | 2361 | [2381] | | |
| 2342 | 7th preceding taxation year | 2362 | [2382] | | |
| | 2000-12-31 | | [2002] | | |
| 2343 | 6th preceding taxation year | 2363 | 2383 | | |
| | 2001-12-31 5th preceding taxation year | | | | |
| 2344 | 2002-12-31 | 2364 | 2384 | | |
| 2345 | 4th preceding taxation year | 2365 | 2385 | | |
| 2040 | 2003-12-31 | 2000 | 2303 | | |
| 2346 | 3rd preceding taxation year | 2366 | 2386 | - P-R | |
| | 2004-12-31 | (100 m) (200 m) (100 m) | | | |
| 2347 | 2nd preceding taxation year | 2367 | 2387 | | |
| 2348 | 2005-12-31 1st preceding taxation year | | [0000] | | |
| 2340 | 2006-12-31 | 2368 | 2388 | | |
| 2349 | Current taxation year | 2369 | 2389 | | |
| | 2007-12-31 | | | The sum of amounts 23 | 70 + 2390 |
| Totals | | 2370 | 2390 | | 336 . |
| Name and Address of the Owner, where | | | | must equal amount in 2 | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |

CMT Losses Carried Forward Workchart

| | Corporation's | Predecessors' P | re-1994 Loss |
|--|---------------|-----------------|--------------|
| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | Pre-1994 Loss | Amalgamation | Wind-Up |
| Pre-1994 Loss (per schedule) | | B | |
| 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 | | | |

| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|-----------------|------------------------------|-----------------|------------|-----------|---------|-----------------|
| 10th Prior Year | 1997-12-31 | | | | | |
| 9th Prior Year | 1998-12-31 | | | | | |
| 8th Prior Year | 1999-12-31 | | | | | |
| 7th Prior Year | 2000-12-31 | | | | | |
| 6th Prior Year | 2001-12-31 | | | | | |
| 5th Prior Year | 2002-12-31 | | | | | |
| 4th Prior Year | 2003-12-31 | 6,264 | | 6,264 | | |
| 3rd Prior Year | 2004-12-31 | 241,960 | | 78,617 | | 163,343 |
| 2nd Prior Year | 2005-12-31 | 258,710 | | | | 258,710 |
| 1st Prior Year | 2006-12-31 | 100,322 | | | | 100,322 |
| | Total | 607.256 | | 84.881 | | 522,375 |

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.

| of the Filing Cor | • | A .1.1 | | D | | OL 1 D I |
|---------------------------|-----------------|--------|------------|-----------|---------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| 2006-12-31 | | | | | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |

CMT Losses Carried Forward Workchart (continued)

| of the Filing Cor | ounts of eligible CMT loss poration. | co nom prodeo | cosor corporations, bo | not morade mese an | nounts in the ope | illing balance |
|---------------------------|--------------------------------------|--|------------------------|---------------------------------------|-------------------|-----------------|
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | · · · · · · · · · · · · · · · · · · · | | |
| 2002-12-31 | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | ž2 | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | 9. 30.00 20.00 0.00 | | | |
| 2006-12-31 | | | | | | |
| Total | | 1 11 11 11 11 11 11 11 11 11 11 11 11 1 | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |

CMT Credit Carryovers Workchart

2004-12-31

| Filing Corpora | tion ——— | | | | | |
|-----------------|------------------------------|-----------------|------------|-----------|---------|-----------------|
| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
| 10th Prior Year | 1997-12-31 | | | | | |
| 9th Prior Year | 1998-12-31 | | | | | |
| 8th Prior Year | 1999-12-31 | | | | | |
| 7th Prior Year | 2000-12-31 | | | | | |
| 6th Prior Year | 2001-12-31 | | | | | |
| 5th Prior Year | 2002-12-31 | | | | | |
| 4th Prior Year | 2003-12-31 | | | | | |
| 3rd Prior Year | 2004-12-31 | | | | | |
| 2nd Prior Year | 2005-12-31 | | | | | |
| 1st Prior Year | 2006-12-31 | | | | | |
| | Total | | | | | |

| Indicate the amo | unts of CMT credit carry | overs from pred | ecessor corporations. | Oo not include these | amounts in the 'o | pening balance' |
|------------------|--------------------------|-----------------|-----------------------|----------------------|-------------------|-----------------|
| Year of Origin | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | ****** | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |

| 20011231 | | | | | | |
|---------------------------|---------------------------|-----------------|--|----------------------|--|-----------------|
| 2005-12-31 | | | | | | |
| 2006-12-31 | | | | | | |
| Total | | | | | | |
| Predecessor | Corporations Only - | Wind-Up | | | | |
| Indicate the amo | ounts of CMT credit carry | overs from pred | lecessor corporations. [| Oo not include these | | |
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | /// | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | The second secon | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| 2006-12-31 | | | AND THE PROPERTY OF THE PARTY O | | | |
| Total | | | | | | |

Non-Capital Loss Continuity Workchart - Ontario

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|--|-------------------------------|---------------------------------|--------------------------------------|---|---------------------------|
| Current | N/A | | | | N/A | |
| 2006 | 157,321 | N/A | *** | N/A | | 157,321 |
| 2005 | 344,575 | N/A | | N/A | | 344,575 |
| 2004 | 225,765 | N/A | | N/A | 177,812 | 47,953 |
| 2003 | | N/A | | N/A | | N |
| 2002 | THE PARTY OF THE P | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | | N/A | | N/A | 174 - | |
| Total | 727,661 | <u> </u> | | | 177,812 | 549,849 |

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|--------|------------------------------------|-------------------------------------|---|--------------------------------------|--|------------------------|
| urrent | N/A | | (<u> </u> | | N/A | |
| 2006 | | N/A | | N/A | 81000 MW | |
| 2005 | | N/A | | N/A | | |
| 2004 | | N/A | | N/A | | 7 |
| 2003 | | N/A | | N/A | | |
| 2002 | and the second of the second | N/A | 10 A-10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | | N/A | | N/A | | |
| 1999 | | N/A | | N/A | | |
| 1998 | | N/A | | N/A | | · |
| 997 | | N/A | | N/A | | |
| Total | | | | | | |

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|------------------------------------|-------------------------------------|---------------------------------|--------------------------------------|--|------------------------|
| Current | N/A | | The second second second | | N/A | 6-000000 |
| 2006 | | N/A | | N/A | 1 <u>201 - 1111 - 1111 - 1111 - 1111 - 1111 - 1111 - 1111 - 1111</u> | |
| 2005 | | N/A | | N/A | | |
| 2004 | 1 2/2/2011 | N/A | | N/A | | |
| 2003 | | N/A | * <u>******************</u> * | N/A | | |
| 2002 | | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | | N/A | | N/A | parameter with the second seco | |
| 1999 | | N/A | | N/A | | |
| 1998 | | N/A | | N/A | | 1 |
| 1997 | | N/A | | N/A | | |
| Total | | | | | | |

^{*} This balance expires this year and will not be available next year.



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

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 Niagara W | Legal Name est Transformat | ion Corporation | n | *41-27-49-4117-4117 | | | | Onl | | Tax Account No. 800380 | Sales Press | ation Year End |
|----------------------------|--|--|--|--|--|---|--|-----------------------|---|------------------------|---|--|
| | ation electing ur | | | 1 Yes | 2 X No | | | | | | | |
| 1 Class number | Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule) | Cost of acquisitions during the year (new property must be available for use) See note 1 below | 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 cap cost allowar (column t multiplied t column 9; c lower amou | capital cost oy at the end of the year |
| 1 | 5,707,024 | | | 0 | 5,707,024 | | 5,707,024 | 4 | 0 | 0 | | 5,707,024 |
| been Regu | de any property acc previously exclude lation 1100(2) and | quired in previous d from column 3. (2.2) of the Incon | years that has now List separately any ne Tax Act (Canadi acquisitions plus o | acquisitions that a a). | re not subject to th | erty would have ne 50% rule. See | 5,707,024 Enl | | oxes 650 | . [650] | [650] | 5,707,024 on the CT23. |



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

Ontario Scientific Research and Experimental Development Expenditures CT23 Schedule 161

Page 1 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |

This schedule is used to calculate Ontario Scientific Research and Experimental Development Expenditures (SR & ED). The rules used in the calculation of Ontario SR & ED follow the federal rules with the exception of the new Ontario measure introduced in the 2001 Ontario Budget and implemented in Bill 127 which received Royal Assent on December 5, 2001.

This schedule must be completed by all corporations performing qualified Ontario SR & ED in a "specified taxation year" or in the taxation year immediately preceding the first specified taxation year of the corporation and filed with the current CT23 or CT8. Other corporations may use this schedule, if they have claimed or are claiming a different SR & ED amount for Ontario than for federal income tax purposes.

- "Specified Taxation Year" (STY) is the taxation year of the corporation that begins after February 29, 2000 and ends after December 31, 2000.
- "Investment Tax Credit Amount" (ITC) means, in respect of a corporation for a taxation year, an amount deducted by the corporation for a preceding taxation year under subsection 127(5) or (6) of the Income Tax Act (Canada) (ITA).
- "Qualified Ontario SR & ED Expenditure" (QORD) means,
 - A. A qualified expenditure within the meaning of subsection 12(1) of the Corporations Tax Act (CTA) that is made or incurred by a corporation in a STY or in the taxation year immediately preceding the first STY of the corporation, or
 - B. An expenditure made or incurred by a partnership in a fiscal period that ends in a STY of a corporation if,
 - . the corporation is member of the partnership at any time in the STY, and
 - the expenditure would be a qualified expenditure within the meaning of subsection 12(1) of the CTA if it were made by a corporation.
- "Ontario Allocation Factor" (OAF) has the meaning given to that expression by subsection 12(1) of the CTA.
- If a corporation includes a federal ITC amount in determining the amount of the Ontario pool of deductible SR & ED expenditures for a STY, the following amounts are adjusted by the OAF:
 - Amount of recaptured federal ITC relating to QORD for property disposed of in the preceding taxation year in
 442 on page 2.
 - Amount of federal ITC relating to QORD claimed federally in the preceding taxation year(s) in 462 on page 2.
 - Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year in
 465 on page 2.
- Federal ITCs earned on shared-use equipment (SUE) reduce the capital cost of the property acquired for federal and Ontario
 income tax purposes in the taxation year after the taxation year in which the ITC is claimed federally. The amount of the federal
 ITC that relates to QORD on SUE is added to the SR & ED pool for Ontario purposes in the taxation year after the taxation year
 in which the ITC is claimed federally.

Ontario Scientific Research and Experimental Development Expenditures CT23 Schedule 161

Page 2 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|------------------------------------|
| | 1800380 | 2007-12-31 |
| Niagara West Transformation Corporation | | 2007 12 51 |
| Ontario Pool of Deductible SR & ED Expenditures for the curren | t taxation year | |
| Total allowable SR & ED expenditures (capital and current) (From line 400 federal T661 (T2 SCH32)) | + 400 | |
| Less: Government and non-government assistance (From line 430 federal T661 (T2 SCH32)) | - 430 | |
| V. Territoria Company | - 435 | |
| | - [440 | |
| Amount of recaptured federal ITC (From line 453 federal T661 (T2 S relating to QORD for property disposed of in the preceding taxation | CH32)) year 442 . | |
| Gross-up for Ontario allocation factor From 442 | ÷ 100.0000 % = - 444 (From 30 of the CT23 or CT8) | |
| Subtotal: 400 - 430 - 435 - 440 - 444 | = 445 |] |
| Add: Repayments of government and non-government assistance (From line 445 federal T661 (T2 SCH32)) | + 446 |] |
| SR & ED expenditure pool transferred on amalgamation or wind-up (From line 452 federal T661 (T2 SCH32)) | + 452 | |
| | + 453 |] |
| Preceding year's balance in pool of deductible Ontario SR & ED exp (From 480 of the preceding taxation year) | enditures + 460 |] |
| Federal ITC relating to QORD claimed federally in the preceding taxation year(s) | + 462 From 575 on Page 3) | |
| Amount of federal ITC relating to QORD allocated from partnerships in the current taxation year | | |
| Subtotal 462 + 465 | = [468] | |
| Gross-up for Ontario allocation factor From 468 | \div 100.0000 % = + 470 (From 30 of the CT23 or CT8) |] |
| Subtotal: 445 + 446 + 452 + 453 + 460 + 470 | | |
| (If the amount in 473 is negative, enter zero, in 475, 477 and according of the 2003 or later CT23 or CT8. If the amount in 473 is part of the 2003 or later CT23 or CT8. | and $\boxed{473}$ to $\boxed{615}$ of the 2002 CT23 or CT8 cositive, enter the amount in $\boxed{475}$.) = $\boxed{473}$ |] |
| Amount available for deduction | = 475 | |
| Deduction claimed in the taxation year for Ontario (Enter the SR & ED expenditure pool deduction claimed in the taxation year | in 679 of the CT23 or CT8) 477 |] |
| Ontario current taxation year closing balance in pool of deductible SR & ED expenditures 475 - 477 | = 480 | |
| | | amount to 460 as the carry |
| | TOTWARD ATTIC | dir. for the field taxation year.) |

Ontario Scientific Research and Experimental Development Expenditures CT23 Schedule 161

Page 3 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) Taxation Year B | | | |
|---|--|------------|--|--|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 | | |

Calculation of <u>Preceding</u> Taxation Year Amount and Account Balances - Federal ITC from SR & ED Expenditures relating to QORD.

- This page is used to calculate the amount of the federal ITC that relates to SR & ED performed in Ontario for certain taxation years and is used to increase the amount of the Ontario SR & ED pool on page 2.
- All amounts on this page are based on the preceding taxation year since the amount of the federal ITC that relates to QORD
 can only be used to increase the Ontario pool for SR & ED in the current taxation year if there was a federal ITC claimed for
 federal purposes in the preceding taxation year that related to QORD.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership. These amounts are added to your SR & ED pool for Ontario in the taxation year that they are allocated from a partnership to a corporation, not in the year after they are claimed federally.

| Opening | Balance: | |
|-----------|---|------------------------|
| (Enter am | nount 590 from Schedule 161 of the preceding taxation year, if any) + 500 | 63,458. |
| Add: | Amount of federal ITC earned, relating to QORD | |
| | (QORD portion of line 540 federal T2 SCH31 for the preceding taxation year) + 510 | |
| | Amount of federal ITC earned, relating to QORD, transferred on amalgamation or wind-up (QORD portion of line 530 federal T2 SCH31 for the preceding taxation year) + 520 | |
| Subtotal: | : [500] + [510] + [520] = [535] | 63,458. |
| Deduct: | Amount of federal ITC, relating to QORD, claimed federally | |
| | (QORD portion of line 560 federal T2 SCH31 for the preceding taxation year) + 540 | • |
| | Amount of federal ITC, relating to QORD, carried back federally to a preceding taxation year(s) (QORD portion of line P federal T2 SCH31 for the preceding taxation year | • |
| | A refund of federal ITC, relating to QORD, claimed federally (QORD portion of line 610 federal T2 SCH31 for the preceding taxation year) + 560 | |
| | Amount of federal ITC, relating to QORD, deemed as a remittance of co-op corporations (QORD portion of line 510 federal T2 SCH31 for the preceding taxation year) + 570 | • |
| Subtotal: | | |
| | (Transfer this amo | ount to 462 on Page 2) |
| | Amount of federal ITC, relating to QORD, expired per the ITA after 10 taxation years (QORD portion of line 515 federal T2 SCH31 for the preceding taxation year) - 580 | |
| Closing E | Balance: 535 - 575 - 580 = 590 | 63,458 |
| | (Transfer this | amount to 500 as the |

Ontario Scientific Research and Experimental Development Expenditures CT23 Schedule 161

Page 4 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |

Continuity Schedule for Federal ITC relating to SR & ED Expenditures for the Preceding Taxation Year

- All amounts on this page are based on the preceding taxation year.
- Amounts on this page should tie into Part 12 of federal T2 SCH31 completed for the preceding taxation year.

| Yr. of Origin (Oldest yr. first) yyyy mm dd | Opening Balance | Additions | Deductions (other than amounts that were allocated from a partnership) | Deductions (only amounts that were allocated from a partnership) | Closing Balance |
|---|-----------------|-----------|--|--|-----------------|
| 1996-12-31 | | | | | |
| 1997-12-31 | | | | | |
| 1998-12-31 | | | | | |
| 1999-12-31 | | | | | |
| 2000-12-31 | | | | | |
| 2001-12-31 | | | | | |
| 2002-12-31 | | | | | |
| 2003-12-31 | 63,458 | | _ | | 63,450 |
| 2004-12-31 | | | | | |
| 2005-12-31 | | | | | |
| 2006-12-31 | | | | | |
| otals ee note 1, 2 and 3) | 725 63,458 | 740 | 755 | 770 | 785 63,458 |

Notes:

- 1. The amount in 725 should equal the amount of the investment tax credit at the end of the preceding taxation year less line 515 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
- 2. The amount in 785 should equal the closing balance in line 620 in Part 12 of the federal T2 SCH31 for the preceding taxation year.
- 3. It is important that the amounts in the deductions columns on this page correctly reflect the year of origin of the federal ITC claimed because only amounts relating to QORD can be used to increase the Ontario SR & ED pool.

Ontario Scientific Research and Experimental Development Expenditures CT23 Schedule 161

Page 5 of 5

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| Niagara West Transformation Corporation | 1800380 | 2007-12-31 |

Continuity Schedule for the Amount of Federal ITC from <u>SR & ED Expenditures</u> relating to QORD for the <u>Preceding</u> Taxation Year

- This page is required to record the amount of the ITC that relates to QORD by year of origin.
- · All amounts on this page are based on the preceding taxation year.
- Do not include amounts of federal ITCs that relate to QORD that were allocated from a partnership (see text at the top of page 3).

| Yr. of Origin (Oldest yr. first) yyyy mm dd | Opening Balance | Additions | Deductions | Closing Balance |
|---|-----------------|-----------|------------|-----------------|
| | | | | |
| | | | | |
| 2000-12-31 | | | | |
| 2001-12-31 | | | | |
| 2002-12-31 | | | | |
| 2003-12-31 | 63,458 | | | 63,458 |
| 2004-12-31 | | | | |
| 2005-12-31 | | | | D. 10 |
| 2006-12-31 | | | | |
| otals ee note 1 - 6) | 825 63,458 | 840 | 855 | 870 63,458 |

Notes:

- 1. The amount in 825 should equal 500 on page 3.
- 2. The amount in 840 should equal the total of 510 and 520 on page 3.
- 3. The amount in 855 should equal 575 on page 3.
- 4. The amount in 870 should equal 590 on page 3.
- 5. Any deductions that are recorded in the deduction column on this page must be taken out of the same year of origin as indicated in the deduction column on page 4. These deductions must be related to QORD and must not have been allocated from a partnership.
- 6. The amount of federal ITC relating to QORD will expire if the federal ITC it relates to expires before it is claimed federally.

| | | X |
|--|--|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

July 6, 2009

PERSONAL AND CONFIDENTIAL

RUSS WOODLAND DIRECTOR NIAGARA WEST TRANSFORMATION CORPORATION 2-4548 ONTARIO ST BEAMSVILLE ON LOR 1B5

Dear Sir,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

The T2 RSI, *Return and Schedule Information* is the format adopted by the Canada Revenue Agency (CRA) for corporate income tax returns produced by tax preparation software. The traditional federal forms no longer have to be filed. Furthermore, the CRA requires that the General Index of Financial Information (GIFI) be used to report financial statement information.

The T2 RSI includes information from your corporation's income tax return and all applicable schedules (traditional federal forms), including the GIFI.

Signature

Form T2 RSI, *Return and Schedule Information*, Schedule 200 should be completed and signed.

Payment

No amount is payable for the 2008 taxation year.

Mailing

A copy of the RSI schedules (and of any required federal form, such as Form RC59) should be sent to the Taxation Centre, 290 Empire Avenue, St. John's NL A1B 3Z1 as soon as possible.

CT23 - CORPORATIONS DFILE AND SCHEDULES (ONTARIO)

Signature

CT23, Electronic Filing Certificate, should be completed and signed.

Payment

No amount is payable with the DFILE form *Electronic Filing Certificate* for the 2008 taxation year.

Mailing

A copy of the DFILE form, *Electronic Filing Certificate*, along with the enclosed diskette or CD and any applicable Ontario schedules not included on the diskette or CD, and a copy of the corporation's financial statements must be received by the Ministry of Revenue, Corporations Tax, 33 King Street West, PO Box 642, Oshawa ON L1H 8T1, no later than June 30, 2009. The corporation's Ontario account number should be recorded on the computer diskette and on each of the paper documents submitted.

Attached to this letter is a schedule of corporate instalments for the Company's next fiscal year.

If you have any questions concerning the Company's corporate tax returns or the instalment schedule please do not hesitate to contact us.

Yours very truly,

Durward Jones Barkwell & Company LLP

| * | Canada Revenue | Agence du revenu |
|---|----------------|------------------|
| | Agency | du Canada |

T2 CORPORATION INCOME TAX RETURN

| н | | | |
|---|---|---|---|
| | | | |
| | | n | n |
| | ~ | u | u |

EXEMPT FROM TAX

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), Quebec, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see www.cra.gc.ca or the T2 Corporation - Income Tax Guide.

| 055 | Do not use this area | | |
|-----|----------------------|--|--|
| | | | |
| | | | |
| | | | |
| | | | |

| □ Identification ———————————————————————————————————— | | | | |
|---|--|--|--|--|
| Business Number (BN) | | | | |
| Corporation's name | | | | |
| 002 NIAGARA WEST TRANSFORMATION CORPORATION | | | | |
| Has the corporation changed its name since the last time you filed your T2 return? 003 1 Yes 2 No X | If yes , do you have a copy of the articles of amendment? <i>(Do not submit)</i> | | | |
| Address of head office | To which tax year does this return apply? | | | |
| Has this address changed since the last time you filed your T2 return? | Tax year start Tax year-end | | | |
| (If yes, complete lines 011 to 018) | 060 2008-01-01 061 2008-12-31 | | | |
| 011 2-4548 ONTARIO ST | YYYY MM DD YYYY MM DD | | | |
| 012 | Has there been an acquisition of control | | | |
| City Province, territory, or state | to which subsection 249(4) applies since the previous tax year? | | | |
| 015 BEAMSVILLE 016 ON | If yes, provide the date | | | |
| Country (other than Canada) Postal code/Zip code | control was acquired 065 | | | |
| 017 018 LOR 1B5 | YYYY MM DD | | | |
| Mailing address (if different from head office address) | Is the date on line 061 a deemed | | | |
| Has this address changed since the last time you filed your T2 return? 020 1 Yes 2 No X | tax year-end in accordance with subsection 249(3.1)? | | | |
| (If yes, complete lines 021 to 028) | | | | |
| 021 c/o | Is the corporation a professional corporation that is a member of | | | |
| 022 | a partnership? | | | |
| 023 | Is this the first year of filing after: | | | |
| City Province, territory, or state | Incorporation? | | | |
| 025 026 | Amalgamation? | | | |
| Country (other than Canada) Postal code/Zip code 027 028 | If yes, complete lines 030 to 038 and attach Schedule 24. | | | |
| Location of books and records | Has there been a wind-up of a | | | |
| Has the location of books and records | subsidiary under section 88 during the current tax year? | | | |
| changed since the last time you filed | If yes, complete and attach Schedule 24. | | | |
| your T2 return? | Is this the final tax year | | | |
| 031 | before amalgamation? 076 1 Yes 2 No X | | | |
| 032 | Is this the final return up to | | | |
| City Province, territory, or state | dissolution? | | | |
| 035036 | Is the corporation a resident of Canada? | | | |
| Country (other than Canada) Postal code/Zip code | 1 Yes X 2 No If no , give the country of residence on line 081 and complete and attach Schedule 97. | | | |
| 037 038 | 081 | | | |
| 040 Type of corporation at the end of the tax year | Is the non-resident corporation | | | |
| Canadian-controlled 1 Canadian-controlled 4 Corporation controlled by a public corporation | claiming an exemption under | | | |
| by a public corporation | an income tax treaty? 082 1 Yes 2 No X | | | |
| 2 Other private 5 X Other corporation (specify, below) | If yes, complete and attach Schedule 91. If the corporation is exempt from tax under section 149, | | | |
| 3 Public EVEMPT EDOM TAX | tick one of the following boxes: | | | |
| Corporation Exemplification | - 085 1 Exempt under paragraph 149(1)(e) or (l) | | | |
| If the type of corporation changed during the tax year, provide the effective | 2 Exempt under paragraph 149(1)(j) | | | |
| date of the change. 043 | 3 Exempt under paragraph 149(1)(t) | | | |
| YYYY MM DD | 4 X Exempt under other paragraphs of section 149 | | | |
| Do not use this area | | | | |
| 091 092 093 09 | 095 096 | | | |
| 100 | | | | |

T2 E (08)

Canad'ä

| _ Attachments — | | |
|--|-------|----------|
| Financial statement information: Use GIFI schedules 100, 125, and 141. Schedules – Answer the following questions. For each <i>Yes</i> response, attach to the T2 return the schedule that applies. | Yes | Schedule |
| | 150 | 9 |
| Is the corporation related to any other corporations? | 160 | 23 |
| is the corporation an associated correct | 161 | 49 |
| is the corporation an associated our of that is claiming the expenditure infint: | 151 | 19 |
| Does the corporation have any non-resident shareholders: | Ш |] 19 |
| Office than transactions in the ordinary course of business. Exclude non-arms longer transactions | 162 |] 11 |
| If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee? | 163 | 44 |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 | 14 |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 | 15 |
| Is the corporation claiming a deceded on payment to a type of the payment of of | 166 | T5004 |
| Is the corporation a member of a partnership for which a partnership identification number has been assigned? | 167 | T5013 |
| Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? | 168 | 22 |
| Did the corporation have any foreign affiliates during the year? | 169 | 25 |
| Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) | | 1 |
| of the federal Income Tax Regulations? | 170 | 29 |
| Has the corporation had any non-arm's length transactions with a non-resident? | 171 | T106 |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's | 173 X | 50 |
| Confinion and/or preferred shares: | 172 | |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement adming the year. | 201 X | 1 |
| is the field income loss shown on the initial clarification and the field income temperature the purposes. | ZUI X | , , |
| girts of cultural of ecological property, or girts of medicine: | 202 | 2 |
| Thas the colporation received any dividends of paid any taxable dividends for purposes of the dividend referred. | 203 | 3 |
| is the corporation claiming any type of losses? | 204 X | 4 |
| Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment | 205 | 1 - |
| in more than one jurisdiction: | 205 | 5 |
| Has the corporation realized any capital gains of incurred any capital losses during the tax year. | 200 |] 6 |
| r services business, or in is the corporation diaming the returndable portion of that that | 207 | 7 |
| Does the corporation have any property that is eligible for capital cost allowance? | 208 X | 8 |
| Does the corporation have any property that is eligible capital property? | 210 | 10 |
| Does the corporation have any resource-related deductions? | 212 | 12 |
| | 213 | 13 |
| | 216 | 16 |
| Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? | 217 | 17 |
| | 218 | 18 |
| Is the corporation carrying on business in Canada as a non-resident corporation? | 220 | 20 |
| Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? | 221 | 21 |
| Does the corporation have any Canadian manufacturing and processing profits? | 227 | 27 |
| Is the corporation claiming an investment tax credit? | 231 | 31 |
| | 232 | T661 |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? | 233 | |
| Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000? | 234 | |
| Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax? | 236 | 36 |
| Is the corporation claiming a surtax credit? | 237 | 37 |
| Is the corporation subject to gross Part VI tax on capital of financial institutions? | 238 | 38 |
| Is the corporation claiming a Part I tax credit? | 242 | 42 |
| | 243 | 43 |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | 244 | 45 |
| | 249 | 46 |
| For financial institutions: Is the corporation a member of a related group of financial institutions with one or | 250 | 39 |
| more members subject to gross Part VI tax? Is the corporation claiming a Canadian film or video production tax credit refund? | 253 | T1131 |
| Is the corporation claiming a danadar min of video production tax order rotatio. | 254 | T1177 |
| IS the corporation claiming a film of video production services tax ordan relation. | 255 | 92 |
| Its the corporation subject to Fait Ain. I tax: (Show your calculations on a sheet that you definity as conclude 52.) | | |

| Calculation Attachments - continued from page 2 | |
|---|---|
| Ves Schedul Did the corporation have any foreign affiliates that are not controlled foreign affiliates? Did the corporation have any controlled foreign affiliates? Did the corporation own specified foreign property in the year with a cost amount over \$100,000? Did the corporation own specified foreign property in the year with a cost amount over \$100,000? Did the corporation transfer or loan property to a non-resident trust? Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year? Has the corporation made an election under subsection 89(11) not to be a CCPC? Has the corporation revoked any previous election made under subsection 89(11)? Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year? Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year? Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year? | -A -B 5 1 2 5 5 6 4 |
| A T.P.C. and P. C. and P. | |
| Step corporation inactive? 280 1 Yes 2 No X 281 2 No X 2 No X 281 2 No X | |
| product or service represents. 288 | |
| Did the corporation immigrate to Canada during the tax year? Did the corporation emigrate from Canada during the tax year? Do you want to be considered as a quarterly instalment remitter if you are eligible? If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible YYYY MM DD If the corporation's major business activity is construction, did you have any sub-contractors during the tax year? 2 No X Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X X Do you want to be considered as a quarterly instalment remitter if you are eligible? 1 Yes 2 No X YYYY MM DD 1 Yes 2 No 2 N | |
| ┌ Taxable income | |
| | |
| Deduct: Charitable donations from Schedule 2 Gifts to Canada, a province, or a territory from Schedule 2 Cultural gifts from Schedule 2 Ecological gifts from Schedule 2 Gifts of medicine from Schedule 2 Gifts of medicine from Schedule 2 Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 Part VI.1 tax deduction * Non-capital losses of previous tax years from Schedule 4 Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal | В |
| | С |
| Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions | D |
| Taxable income (amount C plus amount D) | |
| Income exempt under paragraph 149(1)(t) | - |
| Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) | Z |
| * This amount is equal to 3 times the Part VI 1 tax payable at line 724 | |

| | ess deduction — | | | | | |
|--|---|--|--|---|---------------------------|----------|
| | | ns (CCPCs) throughout th | | | 400 | Α |
| | | | | | 400 | A |
| Taxable income fro line 636**, and mir | om line 360, minus 10/3 nus any amount that, bed | of the amount on line 632", cause of federal law, is exen | minus 3 times the amount on npt form Part I tax | | 405 | B |
| Calculation of the | business limit: | | | | | |
| For all CCPCs, cal | culate the amount at line | e 4 below. | | | | |
| 300,000 × | Number of da | ys in the tax year in 2006 | = | | 1 | |
| | Number o | of days in the tax year | 366 | | | |
| 400,000 × | Number of days | s in the tax year after 2006 | 366_ = | 400, | ,000 2 | |
| | Number of | of days in the tax year | 366 | | | |
| | | | Add amounts at lines 1 and 2 | 400, | <u>,000</u> 4 | |
| D | e notes 1 and 2 below) | | | W. 120 1104 1104 1104 1104 1104 1104 1104 | 410 | С |
| Notes: 1. For C tax ye divide | CCPCs that are not asso ear is less than 51 week ed by 365, and enter the | ociated, enter the amount from s, prorate the amount from li e result on line 410. | m line 4 on line 410. However, if the cone 4 by the number of days in the tax amount to be entered on line 410. | corporation's | | |
| Business limit re | duction: | | | | | |
| Amount C | x | 415 *** | D = | | | E |
| | | 11,2 | 250 | | | |
| Reduced business | limit (amount C minus | amount E) (if negative, enter | r "0") | | 425 | F |
| Small business d | leduction | | | | | |
| Amount A, B, C, | | | | | | |
| or F whichever is the least | × | Number of days in the | e tax year before January 1, 2008 | x | 16 % = | 5 |
| s the least | | | f days in the tax year | 366 | C- | |
| Amount A, B, C, | | | | | | |
| or F whichever | , | Number of d December 31, 200 | ays in the tax year after 7, and before January 1, 2009 | 366 × | 17 % = | 6 |
| is the least | | | f days in the tax year | 366 | | |
| Amount A, B, C, or F whichever | | | ays in the tax year after | v | 17 % = | |
| is the least | · · · · · · · · · · · · · · · · · · · | The second secon | ember 31, 2008 | 366 × | 17 % - | / |
| | | Number o | f days in the tax year | (TO) (TO) (TO) | | G |
| | | | | | r on line 9 430 | G |
| * Calculate the | amount of foreign non-bo | usiness income tax credit de | eductible on line 632 without reference | e to the refundat | ole tax on the | |
| CCPC's inves | tment income (line 604) | and without reference to the | corporate tax reductions under sections in the confine 636 without reference to t | he corporate tax | reductions under section | n 123.4. |
| *** Large corpor | | ess income tax credit deduct | ible of line ood without reference to t | no ociporato tax | | |
| If the corporation (Total taxa If the corporation entered at | oration is not associated ble capital employed in (oration is not associated line 415 is: (Total taxabl | Canada for the prior year m with any corporations in the e capital employed in Canad | h the current and the previous tax yea inus \$10,000,000) x 0.225%. current tax year, but was associated a for the current year minus \$10,00 ule 23 for the special rules that apply. | in the previous t 0,000) x 0.225% | tax year, the amount to b | |
| Resource de | eduction ——— | | | | | |
| | income [as defined in su | bsection 125.11(1)1 | | | 435 | H |
| | | | | | | Ĩ |
| Amount H | | | A | 366 × | 3 /6 - | |
| | | | of days in the tax year | | 70/ - | J |
| Amount H | | | lys in the tax year in 2007 | X | 7 % = | J |
| | | Number o | of days in the tax year | 366 | | |
| Note: Resource d | leduction is no longer av | ailable for tax years starting | after December 31, 2006. | | | |
| | | | | | 438 | К |
| Enter amount K or | tion – Total of amounts | I dilid J | | | | |
| Litter amount it of | 1. m.e. 10. | | | | | |
| | | | | | | |

| □ General tax reduction for the second sec | or Canadi | an-controlled private corporations | | | | | |
|--|-----------------------------|--|----------------------------|----------------|--------------------|----------------|-------|
| Canadian-controlled private con | rporations t | nroughout the tax year | | | | | |
| Taxable income from line 360 | | | | | | | Α |
| Amount Z1 from Part 9 of Schedul | | | | | | | · · · |
| Amount QQ from Part 13 of Scheo | | | | | | | |
| Taxable resource income from line | | | | | | D | |
| Amount used to calculate the cred | it union dedu | ction from Schedule 17 | Agentago | | | E | |
| | | ever is the least | | | | F | |
| | | NOTE: * * * * * * * * * * * * * * * * * * * | | | | | |
| Total of amounts B, C, D, E, F, an | | | | | | | Н |
| Amount A minus amount H (if neg | | | | | | | 1 |
| The second secon | | | | | | | |
| Amount I | x | Number of days in the tax year before January 1, 2008 | | | 7 % | - | J |
| | | Number of days in the tax year | 366 | | | | |
| And allows I | v | Number of days in the tax year after | 200 | 1/ | 0.50/ | | |
| Amount I | x | December 31, 2007, and before January 1, 2009 Number of days in the tax year | 366 | = | 8.5 % | = | K |
| | | | 366 | | | | |
| Amount I | X | Number of days in the tax year after December 31, 2008, and before January 1, 2010 | | x | 9 % | | L |
| - Industry | | Number of days in the tax year | 366 | = | 5 70 | | |
| | | Number of days in the tax year after | 300 | | | | |
| Amount I | x | December 31, 2009, and before January 1, 2011 | | Х | 10 % | = | L1 |
| | | Number of days in the tax year | 366 | _ | | | |
| Enter amount M on line 638. | | | | | | | |
| Do not complete this area if you or a mutual fund corporation, a corporation tax rate of 38%. | are a Cana nd for tax ye | dian-controlled private corporation, an investment c ears starting after May 1, 2006, any corporation with | orporation, taxable inc | ome t | hat is not s | subject to the | |
| AT THE STREET THE STREET STREET STREET STREET STREET STREET | | rting after May 1, 2006, amount Z) | | | | | N |
| Amount Z1 from Part 9 of Schedul | | | | | | | |
| Amount QQ from Part 13 of Scheo | | | | | | | |
| Taxable resource income from line | 435 . | | ** | | | Q | |
| Amount used to calculate the cred | | ction from Schedule 17 | | | | | |
| Total of amounts O, P, Q, and R | * * * * * | | | | | | S |
| Amount N minus amount S (if neg | gative, enter " | 0") | | | | | т |
| | 28 | | | | | | |
| Amount T | × | Number of days in the tax year before January 1, 2008 | | | 7 % | = | U |
| | | Number of days in the tax year | 366 | | | | |
| | x | Number of days in the tax year after | 266 | | 0.50/ | | |
| Amount T | ^_ | December 31, 2007, and before January 1, 2009 | 366 | _ | 8.5 % | = | v |
| | | Number of days in the tax year | 366 | | | | |
| Amount T | x | Number of days in the tax year after December 31, 2008, and before January 1, 2010 | | x | 9 % | | W |
| Amount | | Number of days in the tax year | 366 | _ | 3 76 | | |
| | | Number of days in the tax year after | 230 | | | | |
| Amount T | x | December 31, 2009, and before January 1, 2011 | | X | 10 % | = | W1 |
| | | Number of days in the tax year | 366 | | 1750T 1867 | | |
| General tax reduction - Total of | amounts U. | 309 ANS | | | | | X |
| Enter amount X on line 639. | unieministrakis 50%. | THE CONTRACTOR OF THE CONTRACT | | 25 (\$1)(5)(5) | awadawayas 87 V7 S | | ~ |

| Refundable portion of Part I tax | |
|--|-----|
| Canadian-controlled private corporations throughout the tax year | |
| Aggregate investment income | A |
| Foreign non-business income tax credit from line 632 | |
| Deduct: | |
| Foreign investment income | _ |
| from Schedule 7 (if negative, enter "0") | B |
| Amount A minus amount B (if negative, enter "0") | C |
| Taxable income from line 360 | |
| Deduct: | |
| Amount from line 400, 405, 410, or 425, whichever is the least | |
| Foreign non-business income tax credit | |
| from line 632 x 25 / 9 = | |
| Foreign business income tax credit | |
| from line 636 | |
| | |
| × 26 2 / 3 % = | D |
| | |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780) | |
| Deduct: Corporate surtax from line 600 | F |
| Net amount | |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least | F |
| Refundable dividend tax on hand | |
| Befundable dividend tay on hand at the end of the previous tay year | |
| Deduct: Dividend refund for the previous tax year | |
| > | G |
| Add the total of: Refundable portion of Part I tax from line 450 above | |
| Total Part IV tax payable from Schedule 3 | |
| Net refundable dividend tax on hand transferred from a predecessor corporation on | |
| amalgamation, or from a wound-up subsidiary corporation | 979 |
| | п |
| Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H | |
| □ Dividend refund ─ | |
| Private and subject corporations at the time taxable dividends were paid in the tax year | |
| Taxable dividends paid in the tax year from line 460 of Schedule 3 | 1 |
| Refundable dividend tax on hand at the end of the tax year from line 485 above | J |
| Dividend refund – Amount I or J, whichever is less (enter this amount on line 784) | |

| Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38.00 % | 550 | A |
|--|---|---|
| Corporate surtax calculation | | |
| Base amount from line A above | 1 | |
| Deduct: | ^ | |
| 10 % of taxable income (line 360 or amount Z, whichever applies) | 2 | |
| Investment corporation deduction from line 620 below | | |
| Federal logging tax credit from line 640 below | 4 | |
| Federal qualifying environmental trust tax credit from line 648 below | 5 | |
| For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least: | | |
| 28.00 % of taxable income from line 360 a | | |
| 28.00 % of taxed capital gains | 6 | |
| Part I tax otherwise payable | | |
| (line A plus lines C and D minus line F) | | |
| Total of lines 2 to 6 | 7 | |
| Net amount (line 1 minus line 7) | 8 | |
| Corporate surtax* | | |
| Line 8 x Number of days in the tax year before January 1, 2008 x 4 9 | % = 600 | |
| Number of days in the tax year 366 | · - 000 | В |
| * The corporate surtax is zero effective January 1, 2008. | | |
| Described the second se | 602 | |
| | 002 | C |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year) | | |
| | | |
| Aggregate investment income from line 440 | I | |
| Taxable income from line 360 | | |
| Deduct: | | |
| Amount from line 400, 405, 410, or 425, whichever is the least | | |
| | 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) | E |
| Deduct: | | |
| Small business deduction from line 430 | 0 | |
| Federal tax abatement 608 | 9 | |
| Manufacturing and processing profits deduction from Schedule 27 | | |
| Investment corporation deduction | *************************************** | |
| Taxed capital gains 624 | 3 | |
| Additional deduction – credit unions from Schedule 17 | | |
| Federal foreign non-business income tax credit from Schedule 21 | | |
| Federal foreign business income tax credit from Schedule 21 | | |
| Resource deduction from line 438 | 10 | |
| General tax reduction for CCPCs from amount M | | |
| General tax reduction from amount X | | |
| Federal logging tax credit from Schedule 21 | | |
| Federal political contribution tax credit | <u></u> k | |
| Federal political contributions 646 | | |
| Federal qualifying environmental trust tax credit | | |
| Investment tax credit from Schedule 31 | | |
| Subtotal | | F |
| Part I tax payable – Line E minus line F Enter amount G on line 700. | | G |

| Summary of tax and credits | |
|--|--|
| Federal tax | |
| Part I tax payable | 700 |
| Part I.3 tax payable from Schedule 33, 34, or 35 | 704 |
| Part II surtax payable from Schedule 46 | 708 |
| Part III.1 tax payable from Schedule 55 | 710 |
| Part IV tax payable from Schedule 3 | |
| 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 | |
| Part XIV tax payable from Schedule 20 | |
| Add provincial or territorial tax: | Total federal 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 Ontario [for tax years ending before 2009], Quebec, and Alberta) | 760 |
| Provincial tax on large corporations (New Brunswick and Nova Scotia) | |
| | > |
| Deduct other credits: | Total tax payable 770 A |
| | |
| Investment tax credit refund from Schedule 31 Dividend refund | Substitution of the substi |
| Seed VI VI VI Start of the VI | |
| Federal capital gains refund from Schedule 18 Federal qualifying environmental trust tax credit refund | |
| Canadian film or video production tax credit refund (Form T1131) | |
| Film or video production services tax credit refund (Form T1177) | |
| Tax withheld at source | 200 |
| Total payments on which tax has been withheld | |
| Provincial and territorial capital gains refund from Schedule 18 | 808 |
| Provincial and territorial refundable tax credits from Schedule 5 | |
| Tax instalments paid | |
| | credits 890 B |
| | |
| Refund code 894 Overpayment | Balance (line A minus line B) |
| Direct deposit request | If the result is negative, you have an overpayment. If the result is positive, you have a balance unpaid. |
| To have the corporation's refund deposited directly into the corporation's bank | Enter the amount on whichever line applies. |
| account at a financial institution in Canada, or to change banking information you | |
| already gave us, complete the information below: | Generally, we do not charge or refund a difference of \$2 or less. |
| Start Change information 910 | 01 42 01 1033. |
| Branch number | Balance unpaid |
| 914 918 Account number | Enclosed payment 898 |
| | Enclosed payment 898 |
| If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? | 896 1 Yes 2 No X |
| Certification — | |
| I, 950 WOODLAND 951 RUSS | 954 DIRECTOR |
| Last name in block letters First name in block let | |
| am an authorized signing officer of the corporation. I certify that I have examined this return, inc | cluding accompanying schedules and statements, and that |
| the information given on this return is, to the best of my knowledge, correct and complete. I furt | have a satisfy that the example of a classical income for this |
| | |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement | ent attached to this return. |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as the previous year e | ent attached to this return. 956 (905) 309-0611 |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as specifically disclosed in a statement of the previous year except as year except | ent attached to this return. 956 (905) 309-0611 e corporation Telephone number |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement 2009-07-06 Date (yyyy/mm/dd) Signature of the authorized signing officer of the street contact person the same as the authorized signing officer? If no, complete the information | 956 (905) 309-0611 e corporation Telephone number on below |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement of the specific property of the authorized signing officer of the state contact person the same as the authorized signing officer? If no, complete the information psg. | 956 (905) 309-0611 |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement 2009-07-06 Date (yyyy/mm/dd) Signature of the authorized signing officer of the street contact person the same as the authorized signing officer? If no, complete the information | 956 (905) 309-0611 e corporation Telephone number on below |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement 2009-07-06 Date (yyyy/mm/dd) Signature of the authorized signing officer of the same as the authorized signing officer? If no, complete the information 958 Name in block letters Language of correspondence — Langue de correspondance | 956 (905) 309-0611 |
| tax year is consistent with that of the previous year except as specifically disclosed in a statement 2009-07-06 Date (yyyy/mm/dd) Signature of the authorized signing officer of the authorized person the same as the authorized signing officer? If no, complete the information 958 Name in block letters | 956 (905) 309-0611 e corporation n below 957 1 Yes X 2 No 959 |

Canada Revenue Agency

Agence du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION - GIFI

| | | Form identifier 10 |
|---|-------------------|--------------------|
| Name of corporation | Business Number | Tax year end |
| | | Year Month Day |
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | 2008-12-31 |

| 366,004 7,626,628 927,318 | 441,595 7,626,628 746,524 |
|-------------------------------------|---------------------------------|
| 7,626,628 927,318 | 7,626,628 |
| 7,626,628 927,318 | 7,626,628 |
| 927,318 | Village Control of Assessed |
| | |
| 7,065,314 | |
| 7,065,314 | |
| 7,065,314 | |
| 7,065,314 | |
| | 7,321,699 |
| | |
| 632,335 | 451,118 |
| 5,333,000 | 5,868,000 |
| w | |
| | |
| 5,965,335 | 6,319,118 |
| | |
| | |
| | 5,333,000 |

Retained earnings/deficit - end (mandatory field) 3849 = -1,300,121 -1,397,519

Retained earnings

97,397

184,881

| E | |
|----|--|
| 45 | |

Canada Revenue Agence du revenu

| Agen | | JAL IN | FORMATION - C | Form identifier 125 |
|--|--|----------------------------|--------------------|--------------------------------|
| Name of corpo | oration | В | usiness Number | Tax year end Year Month Day |
| NITACADA | WEST TRANSFORMATION CORPORATION | 876 | 81 9301 RC0001 | 2008-12-31 |
| | | | | |
| income s | tatement information | | | |
| Description | n GIFI | | | |
| Description | of the operation | | | |
| Account | Description | GIFI | Current year | Prior year |
| Income s | Total sales of goods and services Cost of sales | 8089 + 8518 - | 649,937 | 659,789 |
| | Gross profit/loss | 8519 = | 649,937 | 659,789 |
| | _ Cost of sales | 8518 + 9367 + | 741,273 | 586,675 |
| | Total operating expenses Total expenses (mandatory field) | 9368 = | 741,273 | 586,675 |
| | Total revenue (mandatory field) | 8299 + | 660,670 | 671,556 |
| | Total expenses (mandatory field) Net non-farming income | 9368 - 9369 = | 741,273 -80,603 | 586,675 84,881 |
| Faunina | income statement information — | | | |
| | Total farm revenue (mandatory field) Total farm expenses (mandatory field) | 9659 + 9898 - 9899 = | | |
| | Net farm income | 9899 = | 30 | |
| | Net income/loss before taxes and extraordinary items | 9970 = | -80,603 | 84,881 |
| SEA IMI | | | | |
| _ Extraord | inary items and income (linked to Schedule 140) Extraordinary item(s) | 9975 - | | |
| | Legal settlements | 9976 - | | |
| 7: | Unrealized gains/losses | 9980 + | | 4 |
| v <u>. </u> | Unusual items | 9985 - | | |
| | _ Current income taxes | 9990 - | 170 000 | -100,000 |
| | Deferred income tax provision | 9995 - | -178,000 | -100,000 |

Net income/loss after taxes and extraordinary items

(mandatory field)

Business Number

87681 9301 RC0001

Canada Revenue Agency

Corporation's name

Agence du revenu du Canada

NIAGARA WEST TRANSFORMATION CORPORATION

SCHEDULE 141

Tax year-end Year Month Day

2008-12-31

NOTES CHECKLIST

| Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements. |
|---|
| For more information, see Guide RC4088, General Index of Financial Information (GIFI) for Corporations and Guide T4012, T2 Corporation – Income Tax Guide. |
| Complete this schedule and include it with your T2 return along with the other GIFI schedules. |
| If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3 and 4 as applicable. |
| Part 1 – Information on the accountant preparing or reporting on the financial statements |
| Does the accountant have a professional designation? |
| Is the accountant connected* with the corporation? |
| * 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 accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4 as applicable. |
| Part 2 – Type of involvement with the financial statements |
| Choose the option that represents the highest level of involvement of the accountant: |
| Completed an auditor's report 1 X |
| Completed a review engagement report |
| Conducted a compilation engagement |
| ┌ Part 3 – Reservations |
| If you selected option "1" or "2" under Type of involvement with the financial statements above, answer the following question: |
| Has the accountant expressed a reservation? |
| Part 4 – Other information |
| If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: |
| Prepared the tax return (financial statements prepared by client) |
| Prepared the tax return and the financial information contained therein |
| (financial statements have not been prepared) |
| Were notes to the financial statements prepared? 101 1 Yes X 2 No |
| If yes, complete lines 102 to 107 below: |
| Are any values presented at other than cost? |
| Has there been a change in accounting policies since the last return? 103 1 Yes 2 No X |
| Are subsequent events mentioned in the notes? |
| Is re-evaluation of asset information mentioned in the notes? |
| Is contingent liability information mentioned in the notes? |
| Is information regarding commitments mentioned in the notes? |
| Does the corporation have investments in joint venture(s) or partnership(s)? |
| If yes, complete line 109 below: |
| Are you filing financial statements of the joint venture(s) or partnership(s)? |

*

Canada Revenue Agency Agence du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1

| Corporation's name | Business Number | Tax year end |
|---|-------------------|----------------|
| | | Year Month Day |
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | 2008-12-31 |

- 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. For more information, see the T2 Corporation Income Tax Guide.
- 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.

| Net income (loss) after taxes and extraordinary | items per financial statements | | 97,397 |
|--|---|--------------------------------|--------------|
| Add: Provision for income taxes – deferred Amortization of tangible assets | | -178,000 180,794 2,794 ► | 2,794 |
| Other additions: | | | |
| Miscellaneous other additions: | Subtotal of other additions Total additions 500 | 0 ► 2,794 ► | 0 2,794 |
| Deduct: Capital cost allowance from Schedule 8 | Subtotal of deductions | 228,281 228,281 | 228,281 |
| Other deductions: | | | |
| Miscellaneous other deductions: | Total 394 Subtotal of other deductions 499 Total deductions 510 | 0 ► 228,281 ► | 0 228,281 |
| Net income (loss) for income tax purposes - | enter on line 300 of the T2 return | | -128,090 |

^{*} For reference purposes only

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Canada Revenue Agency

Agence du revenu du Canada

SCHEDULE 4

CORPORATION LOSS CONTINUITY AND APPLICATION

| Name of corporation | Business Number | Tax year-end |
|---|-------------------|------------------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | Year Month Day 2008-12-31 |

- This form is used 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 previous years.
- The corporation can choose whether or not to deduct an available loss from income in a tax year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time and no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the T2 Corporation Income Tax Guide.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- · Parts, sections, subsections, paragraphs, and subparagraphs mentioned in this schedule refer to the Income Tax Act.

| Part 1 – Non-capital losses | |
|--|----------|
| Determination of current-year non-capital loss | |
| Net income (loss) for income tax purposes | -128,090 |
| Deduct: (increase a loss) | |
| Net capital losses deducted in the year (enter as a positive amount) | |
| Taxable dividends deductible under sections 112, 113, or subsection 138(6) | |
| Amount of Part VI.1 tax deductible | |
| Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) | |
| Deduct: (increase a loss) Subtotal (if positive, enter "0") | -128,090 |
| Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions | |
| Add: (decrease a loss) | -128,090 |
| Current-year farm loss | * |
| Current-year non-capital loss (if positive, enter "0") | -128,090 |
| = | 120,030 |
| Continuity of non-capital losses and request for a carryback ————— | |
| Non-capital loss at the end of the previous tax year | |
| Deduct: Non-capital loss expired * | |
| Non-capital losses at the beginning of the tax year | |
| Add: Non-capital losses transferred on the amalgamation or the | |
| wind-up of a subsidiary corporation | |
| Current-year non-capital loss (from calculation above) | 677,939 |
| Deduct: | |
| Other adjustments (includes adjustments for an acquisition of control) 150 | |
| Section 80 – Adjustments for forgiven amounts | |
| Subsection 111(10) – Adjustments for fuel tax rebate | |
| Deduct: | |

Deduct - Request to carry back non-capital loss to: First previous tax year to reduce taxable income

Second previous tax year to reduce taxable income

Third previous tax year to reduce taxable income

First previous tax year to reduce taxable dividends subject to Part IV tax Second previous tax year to reduce taxable dividends subject to Part IV tax

Third previous tax year to reduce taxable dividends subject to Part IV tax Non-capital losses - Closing balance

Amount applied against taxable income (enter on line 331 of the T2 return)

Amount applied against taxable dividends subject to Part IV tax

 After 7 tax years if it arose in a tax year ending before March 23, 2004; • After 10 tax years if it arose in a tax year ending after March 22, 2004, and before 2006; or

• After 20 tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss as follows:

- After 7 tax years if it arose in a tax year ending before March 23, 2004;
- After 10 tax years if it arose in a tax year ending after March 22, 2004.

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677,939

677,939

Subtotal

902

911

A non-capital loss expires as follows:

| Paragraph 88(1.1)(f) election indicator Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately previous tax year. Part 2 - Capital losses Continuity of capital losses and request for a carryback Capital losses at the end of the previous tax year Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) |
|--|
| Capital losses at the end of the previous tax year Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) |
| Capital losses at the end of the previous tax year Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) |
| Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) 250 240 Subtotal |
| Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) 250 240 Subtotal |
| Deduct: Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) 250 240 Subtotal |
| Other adjustments (includes adjustments for an acquisition of control) Section 80 – Adjustments for forgiven amounts Add: Current-year capital loss (from the calculation on Schedule 6) 250 240 Subtotal |
| Section 80 – Adjustments for forgiven amounts Add: Subtotal Current-year capital loss (from the calculation on Schedule 6) |
| Add: Subtotal Current-year capital loss (from the calculation on Schedule 6) |
| Current-year capital loss (from the calculation on Schedule 6) |
| |
| The second of th |
| Unused non-capital losses that expired in the tax year*A |
| Allowable business investment losses (ABIL) that expired as non-capital |
| osses in the tax year** |
| Enter amount from line A or B, whichever is less 215 |
| ABILs expired as non-capital loss: |
| line 215 divided by the inclusion rate*** 75.0000 % |
| Note: If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation |
| of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these |
| amounts and enter the total at line 220 above. |
| Deduct: Amount applied against the current-year capital gain (see Note 1) |
| Subtotal |
| Deduct – Request to carry back capital loss to (see Note 2): |
| Capital gain Amount carried (100%) back (100%) |
| |
| That provided tax year |
| Social provides tax year 111111111111111111111111111111111111 |
| Tillia previous tax year |
| Capital losses – Closing balance |
| Note 1 |
| Enter the amount from line 225 multiplied by 50% on line 332 of the T2 return. |
| Note 2 On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount |
| On lines 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount by the 50% inclusion rate. |

- * Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004, and before 2006. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.
- ** Enter the losses from the 8th previous tax year if the losses were incurred in a tax year ending before March 23, 2004. Enter the losses from the 11th previous tax year if the losses were incurred in a tax year ending after March 22, 2004. Enter the full amount on line B.
- *** This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:
 - For ABILs incurred in the 1999 and previous tax years, use 0.75.
 - For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 version T2SCH6(01).
 - For ABILs incurred in the 2002 and later tax years, use 0.50.

| Part 3 – Farm losses Continuity of farm losses and request for a carryback | gr | |
|--|--|--|
| Al 10 | × 200 | |
| Farm losses at the end of the previous tax year | | |
| Deduct: Farm loss expired * 300 Farm losses at the beginning of the tax year 302 | | |
| Add: Farm losses transferred on the amalgamation | | |
| or the wind-up of a subsidiary corporation | | |
| Current-year farm loss 310 | | |
| Deduct: | | |
| Other adjustments (includes adjustments for an acquisition of control) 350 | | |
| Section 80 – Adjustments for forgiven amounts | | |
| Amount applied against taxable income (enter on line 334 of the T2 return) 330 | | |
| Amount applied against taxable dividends subject to Part IV tax | | |
| A CONTRACT OF THE CONTRACT OF | Subtotal | |
| Deduct – Request to carry back farm loss to: | | |
| First previous tax year to reduce taxable income | | |
| Second previous tax year to reduce taxable income | | |
| Third previous tax year to reduce taxable income | | |
| First previous tax year to reduce taxable dividends subject to Part IV tax 931 | | |
| Second previous tax year to reduce taxable dividends subject to Part IV tax 932 | | |
| Third previous tax year to reduce taxable dividends subject to Part IV tax 933 | | |
| Farm losses – Closing balance | 380 | |
| A farm loss expires as follows: After 10 tax years if it arose in a tax year ending before 2006; or After 20 tax years if it arose in a tax year ending after 2005. | | |
| Part 4 – Restricted farm losses Current-year restricted farm loss | | |
| Total losses for the year from farming business | and the second s | |
| Minus the deductible farm loss: | 4109 | |
| \$2,500 plus D or E, whichever is less | 2,500 | |
| (Amount C above \$2,500) divided by 2 = D | 2,300 | |
| \$ 6,250 E | | 2,500 F |
| Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410) | COSONIA DA RESPONDE SE MANDRASE SE ENGRANCE | 2,500 |
| | | |
| Continuity of restricted farm losses and request for a carr | yback ———— | |
| Restricted farm losses at the end of the previous tax year | | |
| Deduct: Restricted farm loss expired * | - | |
| Restricted farm losses at the beginning of the tax year | | |
| Add: Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation | | |
| Current-year restricted farm loss (enter on line 233 of Schedule 1) | | |
| Deduct: | | |
| Amount applied against farming income (enter on line 333 of the T2 return) 430 | | |
| Section 80 – Adjustments for forgiven amounts | | |
| Other adjustments | | |
| 0.000 aagasanonto 1111111111111111111111111111111111 | Subtotal | |
| Deduct – Request to carry back restricted farm loss to: | - Cubiotal | ************************************** |
| First previous tax year to reduce farming income | | |
| Second previous tax year to reduce farming income 942 | | |
| Third previous tax year to reduce farming income 943 | | |
| Restricted farm losses – Closing balance | 480 | ж. |
| The state of the s | | |

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

A restricted farm loss expires as follows:

[•] After 10 tax years if it arose in a tax year ending before 2006; or

[•] After 20 tax years if it arose in a tax year ending after 2005.

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Part 5 - Listed personal property losses

| anto motor porotion property issues | |
|---|---|
| Continuity of listed personal pro | perty loss and request for a carryback ———————————————————————————————————— |
| Listed personal property losses at the end of the previous tax year | |
| Deduct: Listed personal property loss expired after seven tax years | |
| Listed personal property losses at the beginning of the tax year | 502 |
| Add: Current-year listed personal property loss (from Schedule 6) | |
| Deduct: | Subtotal |
| Amount applied against listed personal property gains (enter on line 655 of Schedule 6) | 530 |
| Other adjustments | |
| • | Subtotal |
| Deduct - Request to carry back listed personal property loss to | |
| First previous tax year to reduce listed personal property gains | 961 |
| Second previous tax year to reduce listed personal property gains | 962 |
| Third previous tax year to reduce listed personal property gains | 963 |
| Listed personal property losses – Closing balance | |

Part 7 - Limited partnership losses

| Current-year limited partnership losses | | | | | | | | |
|---|----------------------------|--|------------------------------------|--|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Partnership identifier | Fiscal period ending | Corporation's share of limited partnership loss | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses | Column 4 minus column 5 (if negative, enter "0") | Current-year limited partnership losse (column 3 - 6) | | |
| 600 | 602 | 604 | 606 | 608 | | 620 | | |

Total (enter this amount on line 222 of Schedule 1)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------------|----------------------------|--|------------------------------------|---|---|--|
| Partnership identifier | Fiscal period ending | Limited partnership losses at the end of the previous tax year | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses | Column 4 minus column 5 (if negative, enter "0") | Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6) |
| 630 | 632 | 634 | 636 | 638 | | 650 |

| | Continuity of limited | l partnership losses | that can be carried t | forward to future tax | years |
|------------------------|--|--|--|---|---|
| Partnership identifier | Limited partnership losses at the end of the previous tax year | Limited partnership losses transferred on an amalgamation or the wind-up of a subsidiary | Current-year limited partnership losses (from column 620) | Limited partnership losses applied (cannot exceed column 650) | Limited partnership losses closing balance (662 + 664 + 670 - 675 |
| 660 | 662 | 664 | 670 | 675 | 680 |

Total (enter this amount on line 335 of the T2 return)

Non-Capital Loss Continuity Workchart

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

| V | Deleves et | I are incomed | | Loss | Applied t | o reduce | |
|----------------------|------------------------------------|-------------------------------------|---------------------------|------------------------------|----------------|----------------|------------------------|
| Year of origin | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | 128,090 | | <u> </u> | N/A | | 128,090 |
| 2007 | | N/A | | N/A | | | |
| 2006 | 157,321 | N/A | | N/A | | | 157,321 |
| 2005 | 344,575 | N/A | | N/A | | | 344,575 |
| 2004 | 47,953 | N/A | | N/A | | | 47,953 |
| 2003 | | N/A | | N/A | | | |
| 2002 | 2 | N/A | | N/A | | | |
| 2001 | | N/A | | N/A | | | |
| Total | 549,849 | 128,090 | | | | | 677,939 |

| | D . | r e control amount | | Less | Applied to reduce | | |
|----------------------|------------------------------------|-------------------------------------|------------------------------|--------------------------------------|-------------------|----------------|------------------------|
| Year of origin | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | | | | N/A | | |
| 2007 | | N/A | | N/A | | | |
| 2006 | | N/A | | N/A | | | |
| 2005 | | N/A | | N/A | | | |
| 2004 | | N/A | | N/A | | | |
| 2003 | | N/A | | N/A | - | | |
| 2002 | | N/A | | N/A | | | |
| 2001 | | N/A | | N/A | | | - |
| 2000 | | N/A | | N/A | | | |
| 1999 | | N/A | | N/A | | | |
| 1998 | | N/A | | N/A | | | 500 0 |
| Total | | | | | | | -10 |

| | | | | T | Applied t | o reduce | |
|----------------------|------------------------------------|-------------------------------------|---------------------------|--------------------------------------|----------------|-------------|---|
| Year of origin | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Taxable income | Part IV tax | Balance at end of year |
| Current | N/A | | | | N/A | N/A | <u> </u> |
| 2007 | | N/A | | N/A | | N/A | - |
| 2006 | | N/A | | N/A | | N/A | - |
| 2005 | | N/A | | N/A | | N/A | *************************************** |
| 2004 | | N/A | | N/A | | N/A | |
| 2003 | | N/A | | N/A | | N/A | |
| 2002 | | N/A | | N/A | | N/A | |
| 2001 | | N/A | | N/A | | N/A | _ |
| 2000 | | N/A | | N/A | | N/A | |
| 1999 | | N/A | | N/A | | N/A | , |
| 1998 | | N/A | | N/A | | N/A | |
| Total | | | | | | N/A | |

^{*} This balance expires this year and will not be available next year.

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

| ne of corporation | | | | | | | | Busin | ess Number | | ear end |
|--|--|--|----------------------|---|---|--|------------------|--|--|--|--|
| IAGARA WEST TRANSFORMATIO | N CORPORATIO | N | | | | | | 87681 | 9301 RC0001 | Year Month Day 2008-12-31 | |
| For more information, see the section | called "Capital Cos | t Allowance" in th | ne T2 Corporation | n Income Tax Gu | iide. | | | | | | |
| Is the corporation electing under regu | ation 1101(5q)? | 101 | 1 Yes 2 | No X | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Class Description number | Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year) | Cost of acquisitions during the year (new property must be available for use)* | Net adjustments** | Proceeds of dispositions during the year (amount not to exceed the capital cost) | 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** | Reduced undepreciated capital cost | CCA rate % | Recapture of capital cost allowance (line 107 of Schedule 1) | Terminal loss (line 404 of Schedule 1) | Capital cost allowance (column 7 multiplied by column 8; or a lower amount) (line 403 of Schedule 1)**** | Undepreciate capital cost at the end of the year (column 6 plus column minus column 11) |
| 200 | 201 | 203 | 205 | 207 | 211 | | 212 | 213 | 215 | 217 | 220 |
| 1 | 5,707,024 | | | 0 | | 5,707,024 | 4 | 0 | 0 | 228,281 | 5,478,7 |
| To | al 5,707,024 | | | | | 5,707,024 | | | | 228,281 | 5,478,7 |

- 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).
 Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income*
- Tax Guide for other examples of adjustments to include in column 4.

 The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, Capital Cost Allowance General Comments.
- •••• If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information.

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Canada Revenue Agence du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

| Name of corporation | Business Number | Tax year end Year Month Day |
|---|-------------------|--------------------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 87681 9301 RC0001 | 2008-12-31 |

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

| Provide only o | ne number per sha | reholder | | |
|--|--------------------------|---|----------------------------------|--|
| Business Number Social insurance Trust nu number | | Trust number | Percentage common shares | Percentag preferred shares |
| 200 | 300 | 350 | 400 | 500 |
| 86487 4839 RC0001 | | | 50.000 | |
| 89108 9419 RC0001 | | | 50.000 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | 200 86487 4839 RC0001 | Business Number Social insurance number 300 300 86487 4839 RC0001 | number 300 350 86487 4839 RC0001 | Business Number Social insurance number Trust number Percentage common shares 200 300 350 400 86487 4839 RC0001 50.000 |

T2 SCH 50 (06)

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Ministry of Revenue

Corporations Tax 33 King Street West PO Box 620 Oshawa ON L1H 8E9 2007

CT23 Corporations Tax and

For taxation years commencing after December 31, 2004

Corporations Tax Act – Ministry of Finance (MOF) Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) 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 Filling (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 MGS 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

| MGS Annual Return Required? (Not required if already find Annual Return exempt. F | | No Page 1 of 20 | |
|---|--|---------------------------|---|
| Corporation's Legal Name (including punctuation) | | | Ontario Corporations Tax Account No. (MOF) |
| NA CARA WEST TRANSFORMATION CORROR | ATTON | | 1800380 |
| NIAGARA WEST TRANSFORMATION CORPOR Mailing Address | ATION | | This Return covers the Taxation Year year month day |
| Mailing Address | | | Start year month day 2008-01-01 |
| 2-4548 ONTARIO ST | | | |
| 2-4546 UNTARIO ST | | | End year month day |
| BEAMSVILLE | | | 2008-12-31 |
| ON CA LOR 1B5 | | | |
| Has the mailing address changed | | year month day | Date of Incorporation or Amalgamation |
| since last filed CT23 Return? | Date of Change | Postale Properties States | year month day |
| Registered/Head Office Address | | | 2003-09-05 |
| 2-4548 ONTARIO ST | | | |
| 2-4540 ONTAIGO 51 | | | |
| BEAMSVILLE | 14 | | Ontario Corporation No. |
| ON CA LOR 1B5 | | | (MGS) 1586499 |
| | | | |
| Location of Books and Records | | | |
| | | | Canada Revenue Agency Business No. |
| | | | If applicable, enter |
| | | | 87681 9301 RC0001 |
| | | | 07001 3301 K00001 |
| Name of person to contact regarding this CT23 Return | Telephone No. | Fax No. | S. B. N. P. S. |
| | | | Jurisdiction Incorporated Ontario |
| RUSS WOODLAND | (905) 309-0611 | | Incorporated Ontario |
| Address of Principal Office in Ontario (Extra-Provincial Corp. | orations only) | (MGS) | If not incorporated in Ontario, indicate the |
| | | | date Ontario business activity commenced |
| i e | | | and ceased: year month day |
| | | | Commenced |
| Ontario Canada | | | |
| 5 0 15 N 1 | ra Golden and a | (MOD) | year month day Ceased |
| Former Corporation Name (Extra-Provincial Corporations on | ly) X Not Applicable | (MGS) | Coasca |
| | | | X Not Applicable |
| | | | Preferred Language / Langue de préférence |
| Information on Directors/Officers/Administrators must l | oe completed on MGS | No. of Schedule(s) | |
| Schedule A or K as appropriate. If additional space is r | | | ▲ anglais |
| only this schedule may be photocopied. State number s | submitted (MGS). | | winistry use |
| If there is no change to the Directors'/Officers'/Admini | | ously No | |
| submitted to MGS, please check (X) this box. Schedule | e(s) A and K are not requir | red (MGS). No Change | 1 188111 88111 88111 88181 1181 1881 |
| | Certifica | ation (MGS) | 。12 3030年 30300000000 |
| I certify that all information set out in the Annu | al Return is true, cor | rect and complete. | |
| Name of Authorized Person (Print clearly or type in full) | | <u> </u> | |
| RUSS WOODLAND | | | |
| D O P Others | R (d1- b.) | | |
| | dividuals having knowledge orporation's business activiti | | |
| Note: Sections 13 and 14 of the Corporations Info | | | eading statements or omissions. |

NIAGARA WEST TRANSFORMATION CORPOL

1800380

2008-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

| Туре | of corporation | |
|------|--|---|
| 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)) | This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.) |
| | 2 Other Private | Amended Return |
| | 3 Public | Taxation year end change – Canada Revenue Agency approval required |
| | | Final taxation year up to dissolution (Note: for discontinued |
| | 4 Non-share Capital | businesses, see guide.) |
| | 5 X Other (specify) ▼ | Final taxation year before amalgamation |
| | EXEMPT FROM TAX (nearest percent) | The corporation has a floating fiscal year end |
| | Share Capital with full voting rights owned by Canadian Residents 100 % | There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario |
| 2 | 1 Family Farm corporation s.1(2) | There was an acquisition of control to which subsection 249(4) |
| | 2 Family Fishing corporation s.1(2) | of the federal Income Tax Act (ITA) applies since the previous taxation year |
| | 3 Mortgage Investment corporation s.47 | If checked, date control was acquired year month day |
| | 4 Credit Union s.51 | |
| | 5 Bank Mortgage subsidiary s.61(4) | The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were |
| | 6 Bank s.1(2) | received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario |
| | 7 Loan and Trust corporation s.61(4) | Schedule 44.) |
| | 8 Non-resident corporation s.2(2)(a) or (b) | First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation |
| | 9 Non-resident corporation s.2(2)(c) | year. (If checked, attach Ontario Schedule 24.) |
| | 10 Mutual Fund corporation s.48 | Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations) |
| | 11 Non-resident owned Investment corporation s.49 | Yes No |
| | Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b) | X Was the corporation inactive throughout the taxation year? |
| | 14 Bare Trustee corporation | X Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency? |
| | 15 Branch of Non-resident s.63(1) | Are you requesting a refund due to: |
| | 16 Financial institution prescribed by Regulation only | X the Carry-back of a Loss? |
| | 17 Investment Dealer | X an Overpayment? |
| | Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale | X a Specified Refundable Tax Credit? |
| | 19 X Hydro successor, municipal electrical utility or subsidiary of either | X Are you a member of a Partnership or Joint Venture? |
| | 20 Producer and seller of steam for uses other than for the generation of electricity | Complete if applicable Ontario Retail Sales Tax Vendor Permit no. (Use head office no.) Ontario Employer Health Tax Account no. (Use head office no.) |
| | 21 Insurance Exchange s.74.4 | The second content of |
| | 22 Farm Feeder Finance Co-operative corporation | |
| | 23 Professional corporation (incorporated professionals only) | Specify major business activity |
| | | _ELECTRICITY DISTRIB |
| | | |
| | | |

| Allocation – If you carry on a business to portion of taxable income deemed earned | hrough a permanent establishment in a j d in that jurisdiction to that jurisdiction (s. | jurisdiction outside On .39) (Int.B. 3008). | ntario, you may allocate that | DOLLARS ONLY |
|--|--|--|--|--------------------------|
| Net Income (loss) for Ontario purposes (Subtract: Charitable donations | per reconciliation schedule, page 15) | | | ± From 690 -128,090 • |
| Subtract: Gifts to Her Majesty in right of | Canada or a province and gifts of cultura | al property (Attach sch | nedule 2) | _ 2 |
| Subtract: Taxable dividends deductible, p | the second secon | | | - 3 |
| Subtract: Ontario political contributions (| Attach Schedule 2A) (Int.B. 3002R) | | | - 4 |
| Subtract: Federal Part VI.1 tax | • x 3 | | | - 5 |
| Subtract: Prior years' losses applied - | Non-capital losses | | | - From 704 |
| | From 715 | inclus | sion . | |
| | Net capital losses (page 16) | • X rate | 50.000000 % = | _ 714 |
| | Farm losses | * * * * * * * * | | _ From 724 |
| | Restricted farm losses - | | | _ From 734 |
| | Limited partnership losses | | | _ From 754 |
| Taxable Income (Non-capital Ioss) | SH H) H) H H H H H H H H H H H | | | = 10 -128,090 • |
| Addition to taxable income for unused for Adjusted Taxable Income 10 + 1 | reign tax deduction for federal purposes | | + 11 - = 20 | • |
| , | _,, | | | • |
| | | | Number of Days in Taxation Yea | ar |
| Taxable Income | | a | Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Da | ays |
| From 10 (or 20 if applicable) | x 30 100,0000 % Ontario Allocation | \ | 33 ÷ 73 366 Days after Dec. 31, 2003 Total Da | ₹ □ |
| From 10 (or 20 if applicable) | • X 30 100.0000 % | x 14 % x | 34 366 ÷ 73 366 | |
| Income Tax Payable (before deduct | Ontario Allocation tion of tax credits) 29 + 32 | | | = 40 |
| 7 -125 | | | | |
| Incentive Deduction for Smal | I Business Corporations (IDS | SBC) (s.41) | | |
| If this section is not completed, the I | DSBC will be denied. | | | |
| | | | | |
| Did you claim the federal Small Busin federal Small Business Deduction had | ess Deduction (fed.s.125(1)) in the ta d the provisions of fed.s.125(5.1) not | xation year or would been applicable in t | d you have claimed the he taxation year? (X) | Yes X No |
| * Income from active business carried on | in Canada for foderal purposes (fod a 1 | 0E(1)(a)\ | [Fo] | |
| | | | 50 | <u> </u> |
| Federal taxable income, less adjustment | 5896° 56 96 59 | + 51 | • | |
| The state of the state of the state of | | + 52 | • | |
| Subtract: Losses of other years deducted | I for Ontario purposes (s.34) | _ 53] | | |
| Federal Business limit (line 410 of the T2 | | = | 54 | • |
| before the application of fed.s.125(5.1) | . neturn) for the year | 55 | ili PC | |
| Ontario Business Limit Calculation | | | | |
| | | | | |
| Days after Dec. 31, 2002 and before Jan. 1, 2004 | | | | |
| 320,000 x 31 ÷ ** 3 | 366 = + 46 | | | |
| Days after Dec. 31, 2003 | | | | |
| 24 266 . ** 2 | | Percentage of Fe Business lim | | |
| 400,000 x 34 366 ÷ 3 | 666 = + 47 | (from T2 Schedul | le 23). | |
| | | Enter 100% i | | |
| Business Limit for Ontario purposes 46 + 47 | = 44 | - T | In the second second | |
| Tor Ontario purposes | • | " (40 . | | • |
| Income eligible for the IDSBC | - 1- 1-1 - Fro | om 30 100.000 | 00 % x 56 | • = 60 |
| | | ***Ontario | Allocation Least of 50, | 54 or 45 |
| | | | 0811 | Survey St. St. |
| * Note: Modified by s.41(6) and (7) for | or corporations that are members of a pa | artnership. (Refer to 0 | Guide.) | |
| | ing taxation year and use 366 for a leap | | • | |
| *** Note: Ontario Allocation for IDSBC | The state of the s | • | ted to foreign jurisdictions. See | special rules (s.41(4)). |
| | | | Ngd 1.20 | sec 252 3/ 354 |
| continued on Page 5 | | | | |

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| Income Tax continued from Pac | ge | Page | m | fron | continued | lax | me | CO | Ir |
|-------------------------------|----|------|---|------|-----------|-----|----|----|----|
|-------------------------------|----|------|---|------|-----------|-----|----|----|----|

| | Number of Days in Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | |
|---|---|-------------------------------|
| Calculation of IDSBC Rate | 7 % × 31 ÷ 73366 = + 89 | |
| IDSBC Rate for Taxation Year 89 + 90 | 8.5 % x 34 366 ÷ 73 366 = + 90 = 78 | 8.5000 8.5000 |
| IDSBC Rate for Taxation Year 89 + 90 | | |
| Claim From 60 | X From 78 8.5000 % = 70 | |
| Corporations claiming the IDSBC must complete the Surtax section below if the (or if associated, the associated group's taxable income) is greater than the amo | e corporation's taxable income punt in 114 below. | |
| Surtax on Canadian-controlled Private Corporations (s.4) | 1.1) | |
| Applies if you have claimed the Incentive Deduction for Small Business Corpora | rations. | |
| Associated Corporation - The Taxable Income of associated corporations is the for the taxation year ending on or before the date of this corporation's taxation year. | ear 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) | (if applicable) (if lo | able Income ss, enter nil) |
| | + 82 + 83 + 83 | • |
| | + 84 | |
| Aggregate Taxable Income 80 + 82 + 83 + 84, etc. | = 85 | an-ark gay |
| Number of Days in Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | | |
| and before Jan. 1, 2004 Total Days 320,000 × 31 ÷ 73 366 = + 115 | 1• | |
| Days after Dec. 31, 2003 Total Days | | |
| $400,000 \times \boxed{34 366 \div 73 366} = + \boxed{116}$ | | |
| 115 + 116 = | | |
| (If negative, enter nil) | = 86 | |
| | Number of Days in Taxation Year Days after Dec. 31, 2002 Total Days | |
| Calculation of Specified Rate for Surtax | - 4.6670 % X 38 ÷ 73 366 = + 97 | |
| From 86 X From 97 | . % = 87 | • |
| From 87 X From 60 | • ÷ From 114 • = 88 | • |
| Surtax Lesser of 70 or 88 | 100 | |

^{*} Note: Short Taxation Years - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

| 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. | mined |
| Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this attach a copy of Ontario schedule 27. | er deducting s credit, |
| The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than marprocessing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$300 mining. | nufacturing and 250,000 or less. |
| Eligible Canadian Profits | 120 |
| Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) | n 56 |
| Add: Adjustment for Surtax on Canadian-controlled private corporations | |
| From 100 | |
| Lesser of 56 or 121+ | 122 |
| 120 - 56 + 122 | 130 |
| Taxable Income + From | -128,090 |
| Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) | 56 |
| Add: Adjustments for Surtax on Canadian-controlled private corporations + From | |
| Subtract: Taxable Income 10 -128,090 X Allocation % to jurisdictions outside Canada | 140 |
| Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses | 141 |
| 10 - 56 + 122 - 140 - 141 | 142 |
| Claim Number of Days in Taxation Year Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | |
| | |
| Lesser of 130 or 142 Ontario Allocation | 154 |
| Days after Dec. 31, 2003 Total Days | |
| 143 | 156 |
| M&P claim for taxation year 154 + 156 | 1 60 |
| * Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See specific | ial 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 I Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the formations Development Corporations Act) | Development mer <i>Small</i> |
| Eligible Credit 175 Credit Claimed | 180 |
| Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 | = 190 |
| continued on Page 7 | |

Taxation Year End

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Income Tax continued from Page 6

Specified Tax Credits (Refer to Guide)

| A CONTRACTOR OF THE PROPERTY O | |
|--|---------|
| 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. Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) | + 193 |
| (Attach the original Certificate of Eligibility) 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. | +[195] |
| Eligible Credit From 6598 CT23 Schedule 115 (Attach Schedule 115) Ontario Book Publishing Tax Credit (OBPTC) (s.43.7) | + 199 |
| 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 |
| Applies to employment of eligible apprentices. 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) To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see Determination of Applicability section for 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. |) |
| income tax official wise payable, then proceed to and complete the Application of our Forest State of State part B, of Fage St | |

DOLLARS ONLY

| Total Assets of the corporation Total Revenue of the corporation | ******** | | + 240 7,065,314 | + 241 660,670 • |
|---|---|---------------------------|---|---------------------------------------|
| The above amounts include the corporation's and ass | ociated corporations' share of a | any partnership(s) / joir | nt venture(s) total assets and t | |
| 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 |
| | | . — | + 245 | + 244 • • + 246 • • + 248 • • |
| Aggregate Total Assets 240 + 243 + 245 + Aggregate Total Revenue 241 + 244 + 246 + | 247 , etc 248 , etc | | = 249 7,065,314 | = 250 660,670 |
| Determination of Applicability | | | | |
| Applies if either Total Assets 249 exceeds \$5,000 | 0,000 <i>or</i> Total Revenue 250 | exceeds \$10,000,000. | | |
| Short Taxation Years – Special rules apply for determany fiscal period of any partnership(s) / joint venture(s) | nining total revenue where the too of which the corporation or ass | axation year of the corp | oration or any associated corp a member, is less than 51 wee | oration or ks. |
| Associated Corporation – The total assets or total re on or before the date of the claiming corporation's taxat | evenue of associated corporation tion year end. | ns is the total assets or | total revenue for the taxation y | rear ending |
| If CMT is applicable to current taxation year, complete | section Calculation: CMT belo | ow and Corporate Min | imum Tax Schedule 101. | |
| Calculation: CMT (Attach Schedule 101.) | | | | |
| Gross CMT Payable CMT Base From | Schedule 101 2136 If negative, e | x From 30 | 0 100.0000 % X 4 % Ontario Allocation | = 276 |
| Subtract: Foreign Tax Credit for CMT purposes (Attack Subtract: Income Tax | h Schedule) | | | 277 • rom 190 • |
| Net CMT Payable (If negative, enter Nil on Page 17 | 7.) | | | 280 |
| If 280 is less than zero and you do not have a CMT | credit carryover, transfer | from Page 7 to Inc | ome Tax Summary, on Page | 17. |
| If 280 is less than zero and you have a CMT credit | carryover, complete A & B belo | w. | | |
| If 280 is greater than or equal to zero, transfer 230 Credit Carryovers. | 0 to Page 17 and transfer 2 | 80 to Page 17, and to | Part 4 of Schedule 101: Co | ntinuity of CMT |
| CMT Credit Carryover available From S | Schedule 101 | | Fr | om 2333 |
| Application of CMT Credit Carryovers | | | | |
| A. Income Tax (before deduction of specified credition Gross CMT Payable | | + From 276 From 277 | • • • • • • • • • • • • • • • • • • • | rom 190 |
| If 276 - 277 is negative, enter NIL in 290 Income Tax eligible for CMT Credit | | = - | | 300 |
| B. Income Tax (after deduction of specified credits) Subtract: CMT credit used to reduce income taxe Income Tax | | | + F | 230 • 310 • 320 • Transfer to page 17 |
| If A & B apply, 310 cannot exceed the lesser of | 230 , 300 and your CM7 | credit carryover ava | ilable 2333 . | |
| If only B applies, 310 cannot exceed the lesser of | of 230 and your CMT cred | dit carryover available | e 2333 . | |

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

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

480 and

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 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(2)(a) or 2(2)(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 cap | oital stock (Int.B. 3012R and 3015R) | + 350 2,400,100 • |
| Retained ea | ± 351 -1,300,121 • | |
| | other surpluses, excluding appraisal surplus (Int.B.3012R) | + 352 |
| | advances (Attach schedule) (Int.B. 3013R) | + 353 • |
| | (Int.B. 3013R) | + 354 |
| | ceptances (Int.B. 3013R) | + 355 |
| Bonds and | debentures payable (Int.B. 3013R) | + 356 |
| Mortgages p | payable (Int.B. 3013R) | + 357 |
| | payable (Int.B. 3013R) | + 358 5,397,000 • |
| Deferred cre | edits (including income tax reserves, and deferred revenue where it would also | + 359 |
| | in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R) | + 360 |
| | investment, inventory and similar reserves (Int.B. 3012R) | + 361 |
| | ves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R) | + 362 |
| | rtnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R) | = 370 6,496,979 |
| Subtotal | 1299 | _ <u>0/0</u> <u>0/150/575 •</u> |
| Subtract: | Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R) | - 371 <u>•</u> |
| | Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R) | - 372 <u> </u> |
| Total Paid- | | = 380 6,496,979 • |
| Subtract: | Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R) | - 381 <u>•</u> |
| | 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 • 6,496,979 • |
| Net Paid- | up Capital | = 050 |
| Attach com are eligible | Investments (Refer to Guide and Int.B. 3015R) putations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial partor 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. | aper, etc.) |
| Bonds, lien | notes and similar obligations, (similar obligations, e.g. stripped upons, applies to taxation years ending after October 30, 1998) | + 402 |
| | due from other corporations | + 403 |
| | other corporations (certain restrictions apply) (Refer to Guide) | + 404 |
| | advances to unrelated corporations | + 405 |
| Fligible loar | ns and advances to related corporations (certain restrictions apply) (Refer to Guide) | + 406 |
| | artnership(s) or joint venture(s) eligible investments (Attach schedule) | + 407 |
| | | = 410 |
| Total Eliq | gible Investments | = 110 |
| continued | d on Page 10 | |

Capital Tax Rate 511 + 512

continued on Page 11

0.2250 %

516

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Capital Tax Calculation continued from Page 10

| SECTION C | | | | | | | |
|---|--|--|--|--|--|--|--|
| | is not a member of an associated group and/or partnership. | | | | | | |
| | | | | | | | |
| | 3 0000 V 1000000000000000000000000000000 | | | | | | |
| C2. If Taxable Capital in 470 is a | 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 ex and complete the return from the | ceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, at point. | | | | | | |
| + From 470 6,496,975 - From 503 15,000,000 = 471 | | | | | | | |
| SECTION D | | | | | | | |
| This section applies ONLY to a corpor and/or partnership. You must check ei or Section F. | ration that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) ither 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E | | | | | | |
| 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 amount originally calculated for the associated group. | | | | | | |
| D2 Calculation is on next page | | | | | | | |

| D2. Calculation Do not complete this calcu | ulation if ss 69/2 1) election is fil | od | 11 | DOZZANIO ONE |
|--|---|---|---------------------------------|---|
| Taxable Capital From 470 on page 10 | ulation if \$5.09(2.1) election is in | eu | 22 | (5 (470) |
| Determine aggregate taxable capital of an as | secciated group (evaluding fi | annoial inetitutions and | | - From 470 |
| corporations exempt from capital tax) and/o | r partnership having a perma | nancial institutions and nent establishment in Can | ada | |
| Names of associated corporations (excluding Financ Institutions and corporations exempt from Capital Tax | | ntario Corporations Tax | | |
| having a permanent establishment in Canada | ~) A | ccount No. (MOF) applicable) | Taxation Year End | Taxable Capital |
| (if insufficient space, attach schedule) | 3. | , | | + 531 |
| | | | - | + 532 |
| Aggregate Taxable Capital 470 + 531 + 5 | 532 + 533 , etc | | <u> </u> | + 533 |
| Aggregate Laxable Capital 470 + 531 + 5 | 552 + [555], etc | | | = 540 |
| II Tara | S. S | TOD [] | 2.10 | |
| If [540] abov year, is NIL. | ve is equal to or less than th | ne ICD [503] on page 10 |), the corporation's | Capital Tax for the taxation |
| | 523 in section E below, a | as applicable. | | |
| | ve is greater than the TCD [| | | |
| the TCD bel | ow in order to calculate its | Capital Tax for the taxat | ion year under Sec | ction E below. |
| From 470 | • ÷ From 540 | • X From 503 | | = 541 |
| | | | 3 | Transfer to 542 in Section E belo |
| Ss.69(2.1) Election Filed | | | | |
| 591 (X if applicable) Election filed. A | ttach a copy of Schedule 591 w | rith this CT23 Return. | | |
| Proceed to Secti | on F below. | | | |
| ECTION E | | 是我们是 | | |
| s section applies if the corporation is a member of able Capital 540 above, exceeds the TCD 5 | f an associated group and/or par | tnership whose total aggreg | ate | |
| , | | | ia gener | |
| nplete the following calculation and transfer the ar | nount from [523] to [543], and | complete the return from th | at point. | |
| + From 470 | | | | Total Capital Tax for the taxation year |
| | 30 100.0000 % X From [| and the second second second | Days in taxation year 55 366 | = + 523 |
| | Ontario Allocation | Conital Tay Data | 366 (366 if leap year) | Transfer to 543 and comple |
| | | | | the return from that po |
| ECTION F | | | | |
| s section applies if a corporation is a member of a | n associated group and the asso | ociated group has filed a ss.6 | 69(2.1) election | |
| + From 470 X From 30 | 0 100.0000 % X From 51 Ontario Allocation | 6 0.2250 % Capital Tax Rate | ~ ~ ~ · = 1 | 561 |
| Capital tax deduction from 995 relating to | your corporation's Capital Ta | x deduction, on Schedule 59 | 1 | - From 995 |
| | | | = | 562 |
| | | | | Total Capital Tax fo the taxation year |
| pital Tax 56 | 2 x | Days in taxation year 555 366 - | 30 141 141 14 15 | = 563 |
| | | * 366 (366 if leap year) | | Transfer to 543 and comple |
| | | | | the return from that po |
| floating taxation year, refer to Guide. | | | | |
| | | | or a life to the | |
| oital Tax before application of specified credits stract: Specified Tax Credits applied to reduce cap | oital tax payable (Refer to Guide | | | = 543 - 546 |
| pital Tax 543 - 546 (amount cannot be | | | | William or a secretaria |
| | , negative) | | kō: Jō(호/ 최 | = 550 Transfer to Page |
| ntinued on Page 13 | | | | |

DOLLARS ONLY

NIAGARA WEST TRANSFORMATION CORPOL

1800380

2008-12-31

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 550 on page 12, and complete the return from that point. | |
| 1.2 Other than Credit Unions (Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.) Days in taxation year Easser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with | + 569 |
| Division B.1 Days in taxation year x 571 % x From 30 100.0000 % x 555 366 = Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess | + 574 |
| of Basic Capital Amount Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) * If floating taxation year, refer to Guide. | = 575 |
| 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.) | |
| Allowable Credit for Eligible Investments Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) Yes | - <u>585</u> |
| Capital Tax - Financial Institutions 575 - 585 | = 586 • Transfer to 543 on Page 12 |
| Premium Tax (s.74.2 & 74.3) (Refer to Guide) | |
| (1) Uninsured Benefits Arrangements | = [588] |
| (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. | |
| Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) | - 589 |
| Premium Tax 588 – 589 | = 590 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 Schedule 1 | ± 600 | -128,090 • Transfer to Page 1: |
|--|-----------------|--|
| Add: | | economic deservación de la construcción de la const |
| Federal capital cost allowance + 601 228,281 | ¥ | |
| Federal cumulative eligible capital deduction | • | |
| Ontario taxable capital gain + 603 | • | |
| Federal non-allowable reserves. Balance beginning of year + 604 | • | |
| Federal allowable reserves. Balance end of year + 605 | • | |
| Ontario non-allowable reserves. Balance end of year + 606 | • | |
| Ontario allowable reserves. Balance beginning of year + 607 | • | |
| Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE) | • | |
| 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) | _ | |
| Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼ | _ | |
| Number of Days in Taxation Year | | |
| Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days | | |
| | | |
| 612 <u> </u> | | |
| Days after Dec. 31, 2003 Total Days | | |
| Total Days | | |
| 612 <u> </u> | | |
| 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 | == 8 | |
| excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615 | | |
| Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 | <u> </u> | |
| Federal allowable business investment loss + 620 | ≛ .; | |
| | <u>•</u> | |
| | • | |
| Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 228,281 | 640 | 228,281 • Transfer to Page 15 |
| | · · | |
| Deduct: | | |
| Ontario capital cost allowance (excludes amounts deducted under 675) + 650 228,281 | <u>•</u> | |
| Ontario cumulative eligible capital deduction + 651 | • | |
| Federal taxable capital gain + 652 | <u>•</u> | |
| Ontario non-allowable reserves. Balance beginning of year + 653 | <u>•</u> | |
| Ontario allowable reserves. Balance end of year + 654 | <u>•</u> | |
| | <u>•</u> | |
| Federal allowable reserves. Balance beginning of year + 656 | <u>•</u> | |
| Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.) + 657 | <u>•</u> | |
| Ontario depletion allowance + 658 | • | |
| | <u>.</u> | |
| | • | |
| CCA on assets used to generate electricity from natural gas, alternative or renewable resources. + 675 | • | |
| Subtotal of deductions for this page 650 to 659 + 661 + 675 681 228,281 | <u>•</u> 5 | |
| continued on Page 15 | | |

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664

600 + 640 - 680

Net income (loss) for Ontario Purposes

228,281 .

-128,090 •

Transfer to Page 4

228,281 . 680

690

Continuity of Losses Carried Forward

DOLLARS ONLY

| | | Non-Capital Losses (1) | Total Capital Losses | Farm Losses | Restricted Farm Losses | Listed Personal Property Losses | Limited Partnership Losses (6) |
|-----------|--|------------------------|-------------------------|--------------------|---------------------------|------------------------------------|-----------------------------------|
| Balance a | t Beginning of Year | 700 (2) 549,849 | 710 (2) | 720 (2) | 730 | 740 | 750 |
| Add: | Current year's losses (7) | 128,090 | 711 | 721 | 731 | 741 | 751 |
| | Losses from predecessor corporations (3) | 702 | 712 | 722 | 732 | | 752 |
| Subtotal | | 703 128,090 | 713 | 723 | 733 | 743 | 753 |
| Subtract: | Utilized during the year to reduce taxable income | 704 (2) | 715 (2) (4) | 724 (2) | 734 (2) (4) | 744 (4) | 754 (4) |
| | Expired during the year | 705 | Territoria | 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 | |
| Subtotal | 1-7 | 707 | 717 | 727 | 737 | 747 | 757 |
| Balance a | t End of Year | 709 (8) 677,939 | 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 1999-12-31 | 817 (9) | 860 (9) | | 850 | 870 |
| 801 | 8th preceding taxation year 2000-12-31 | 818 (9) | 861 (9) | | 851 | 871 |
| 802 | 7th preceding taxation year 2001-12-31 | 819 (9) | 862 (9) | | 852 | 872 |
| 803 | 6th preceding taxation year 2002-12-31 | 820 | 830 | 840 | 853 | 873 |
| 804 | 5th preceding taxation year 2003-12-31 | 821 | 831 | 841 | 854 | 874 |
| 805 | 4th preceding taxation year 2004-12-31 | 822 47,953 | 832 | 842 | 855 | 875 |
| 806 | 3rd preceding taxation year 2005-12-31 | 823 344,575 | 833 | 843 | 856 | 876 |
| 807 | 2nd preceding taxation year 2006-12-31 | 157,321 | 834 | 844 | 857 | 877 |
| 808 | 1st preceding taxation year 2007-12-31 | 825 | 835 | 845 | 858 | 878 |
| 809 | Current taxation year 2008-12-31 | 826 128,090 | 836 | 846 | 859 | 879 |
| Total | | 677,939 | 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.

Application of Losses

Non-Capital

NIAGARA WEST TRANSFORMATION CORPOL

1800380

2008-12-31

DOLLARS ONLY

Restricted Farm

Losses

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.

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

- 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,

Total Capital

Losses

- 2) 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.

Farm Losses

 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.

| | 910 | 920 | 930 | 940 |
|---|---|---|---|---|
| Total amount of loss | 128,09 | · · | 300 | [070] |
| Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income | | | | |
| Predecessor Ontario Corporation's Taxation Year Endi year month day 3 rd preceding 901 2005-12-31 | 911 | 921 | 931 | 941 |
| 902 906-12-31 907 908 909 | 912 | 922 | 932 | 942 |
| iii) 1st preceding 903 2007-12-31 | 913 | 923 | 933 | 943 |
| Total loss to be carried back | From 706 | From 716 | From 726 | From 736 |
| Balance of loss available for carry-forward | 919 128,09 | 929 | 939 | 949 |
| Summary | Certificat | tion | | |
| Corporate Minimum Tax | return, includin return, has bee that the inform I further certify position and or the Corporatio | ng all schedules and en examined by me a ation is in agreemen that the financial state or ation from the state of the me at the state of the previous ched. print) DDLAND | and is a true, correct t with the books and atements accurately r e corporation as requ thod of computing inc | or as part of this CT23 and complete return and records of the corporation. |
| If payment due Enclosed * 990 | 28 LAKE ST | TREET | | |
| If overpayment: Refund (Refer to Guide) - = 975 year month day Apply to 980 (Includes credi | GRIMSBY ON Signature | L3M 2 | | Date |
| * Make your cheque (drawn on a Canadian financial institution) or a moorder in Canadian funds, payable to the Minister of Finance and pri your Ontario Corporation's Tax Account No. (MOF) on the back of | nt | 76 of the Corporation | ons Tax Act provides | 2009-07-06 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 |
|---|---|------------------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 1800380 | 2008-12-31 |
| Part 1: Calculation of CMT Base Banks – Net income/loss as per report accepted by Superintendent of Finance under the Bank Act (Canada), adjusted so consolidation/equity methods are re Life Insurance corporations – Net income/loss before Special Additional Ta | not used. | |
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) | ± 2100 | 97,397 |
| Subtract (to the extent reflected in net income/loss): | = = = | 71,391 |
| Provision for deferred income taxes (credits) / benefit of future | + 2101 • 178,000 • | |
| Equity income from corporations | | |
| Share of partnership(s)/joint venture(s) income | + 2104 | |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | |
| Dividends received/receivable deductible under fed.s.113 | + 2106 | |
| Dividends received/receivable deductible under fed.s.83(2) | + 2107 | |
| | + 2108 | |
| Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) | + 2109 | |
| Subtotal | = 178,000 . ► - 2110 | 178,000 • |
| Add (to extent reflected in net income/loss): | | |
| Provision for current taxes / cost of current income taxes | | |
| | + 2112 | |
| Equity losses from corporations | | |
| 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)) | | |
| Subtotal | = | 3 |
| Add/Subtract: | | |
| Amounts relating to s.57.9 election/regulations for disposals etc. of propert | | |
| | - 2118 | |
| 7/5/CES V 5/0-3 | _ 2120 | |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations | - 2122 | |
| | – [2124] | |
| prior years + 2125 or | - 2126 | |
| regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years + 2127 | – [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] | |
| Capital gains on eligible donations of publicly-listed securities and ecologically sensitive land made after May 1, 2006 (to the extent reflected in net income/loss) | - [2155] | |
| Subtotal (Additions) | + 2129 | |
| Subtotal (Subtractions) | = | |
| ** Other adjustments | Accesses to the second | |
| Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 | | |
| | | |
| Adjusted net income (loss) (if loss, transfer to 2202 in <i>Part 2: Continuity of CMT Lo</i> | ± 2133 | |
| | | -80,603 |
| Deduct: * CMT losses: pre-1994 Loss + Fro * 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. | <u> </u> | <u>•</u> |
| CMT Base | = 2136 | |
| | Transfer to CMT Base on Page 8 of to | he CT23 or Page 6 of the CT8 |

Corporate Minimum Tax (CMT) CT23 Schedule 101

and a 57.5(7))

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|-------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 1800380 | 2008-12-31 |
| Part 2: Continuity of CMT Losses Carried Forward | | |
| Balance at Beginning of year NOTES (1), (2) | | 522,375 • |
| Add: Current year's losses Losses from predecessor corporations on amalgamation NOTE (3) Losses from predecessor corporations on wind-up NOTE (3) | 80,603 . + 2202 80,603 . + 2203 . + 2204 . | |
| Amalgamation (X) 2205 Yes Wind-up (X) 220 | | 7 80,603 |
| | ± 220 | |
| | | |
| | | 9 002,970 |
| Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) Losses expired during the year | + 2210 | |
| Subtotal | | 3 |
| Balances at End of Year NOTE (5) 2209 - 2213 | = 221 | 4 602,978 |
| Notes: | | |
| 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. | (3) Include and indicate whether CMT losses ar amalgamation to which fed.s.87 applies and which fed.s.88(1) applies. (see s.57.5(8) and | d/or a wind-up to |
| (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) | (4) CMT losses must be used to the extent of the adjusted net income 2134 and CMT losses | |

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

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

| | Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|--------|---|---------------------------|---|
| 2240 | 9th preceding taxation year | 2260 | 2280 |
| 2241 | 1999-12-31 8th preceding taxation year 2000-12-31 | 2261 | 2281 |
| 2242 | 7th preceding taxation year 2001-12-31 | [2262] | [2282] |
| 2243 | 6th preceding taxation year 2002-12-31 | [2263] | 2283 |
| 2244 | 5th preceding taxation year 2003-12-31 | 2264 | 2284 |
| 2245 | 4th preceding taxation year 2004-12-31 | [2265] 163,343 | 2285 |
| 2246 | 3rd preceding taxation year 2005-12-31 | 2266 258,710 | 2286 |
| 2247 | 2nd preceding taxation year 2006-12-31 | [2267] 100,322 | 2287 |
| 2248 | 1st preceding taxation year 2007-12-31 | 2268 | 2288 |
| 2249 | Current taxation year 2008-12-31 | [2269] 80,603 | 2289 |
| Totals | | [2270] 602,978 | [2290] |

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

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

Corporate Minimum Tax (CMT)

| - | ~ . | 79 27 | TO 000 | |
|------|------------|-------|--------|-----|
| CT23 | SOF | IIIDA | Δ 1 | ()1 |
| 0120 | UUI | cuu | | UI |

| Corpor | ation's Legal Name | | | Ontario Corporations Tax Account No. (| (MOF) Ta | axation Year End |
|----------|--|--|--|---|------------------------|-----------------------------------|
| NIAC | GARA WEST TRANSFORMA | ATION CORPORATION | | 1800380 | Activities to the same | 2008-12-31 |
| WHI SO I | : Continuity of CMT C | No. No. No. | | | | |
| | ce at Beginning of year i | | * * * * * ******* * * * * | e emercencententen a a a a a acamatantana a a | + 2301 | |
| Add: | | Credit (280 on page 8 of the | | | | |
| _ | | the CT8. If negative, enter I | | or 347 | | |
| | | OTE (2) 312 on page 5 of C | T8. | | | |
| | surance corporations only enter NIL.) | | | | | |
| | ct Income Tax | · · · · · · · · · · · · · · · · · · · | • | | | |
| (190 | on page 6 of the CT23 or | | | | | |
| 0.14 | page 4 of the CT8) | | • | | | |
| | tal (If negative, enter NIL) | gative, enter NIL) 280 or 3 | 47 2205 | - 2305 | [0040] | |
| | AL STANDARD NOTABLE DATE AND ALL STANDARD CONTRACTOR | - Charles and the second of th | | | + 2310 | |
| CIVIT | | edecessor corporations NOTE 2315 Yes Wind-up | and the second s | | + 2325 | espendictions. |
| Cubto | tal 2301 + 2310 + 232 | | | | [0000] | |
| | | | | | = 2330 | • |
| 959 | ments (Attach schedule) | | | | ± 2332 | |
| CWIT | Credit Carryover availabl | le 2330 ± 2332 | * * * * * ******* * * * * | | = 2333 | OTOS P C - (N - OTS |
| Subtra | act: CMT Credit utilized de | uring the year to reduce inc | ome tax | Transfer to Pa | ige o oi the | CT23 or Page 6 of the CT8 |
| | | CT23 or 351 on page 6 of the | | or 351 | | |
| | | uring the year | | 2334 | | |
| Subto | tal | | | | - 2335 | • |
| Balan | ce at End of Year NOTE (4) | 2333 – 2335 | * * * * * * * * * * * * * | | = 2336 | |
| Notes: | | | | | | |
| | | | | of CMT credits can be restricted. | (see s.43 | .1(5)) |
| | | nce corporations can be res | | | e a diseal com | i i - i - i - i - i - i - i - i - |
| (3) fed | .s.88(1) applies. (see s.43 | 3.1(4)) | an amaigamation | to which fed.s.87 applies and/or a | t wina-up i | to which |
| | | I sum of 2370 + 2390 . | | | | |
| | | | J B J V | | | |
| Part 5 | | edit Carryovers Year En | and the second s | (1076) | | |
| | Year of Origin (oldest year first) | CMT Credit Carryovers of Corporation | CMT Credit Carry Predecessor Corp | | | |
| | year month day | | , and the same of | (-) | | |
| 2340 | 9th preceding taxation year | 2360 | 2380 | | | |
| | 1999-12-31 | | MUSE NO DE LA | | | |
| 2341 | 8th preceding taxation year 2000-12-31 | 2361 | 2381 | | | |
| 2342 | 7th preceding taxation year | 2362 | 2382 | | | |
| 2342 | 2001-12-31 | 2302 | 2302 | | | |
| 2343 | 6th preceding taxation year | 2363 | 2383 | 5372 FFF | | |
| | 2002-12-31 | | | | | |
| 2344 | 5th preceding taxation year | 2364 | 2384 | | | |
| | 2003-12-31 4th preceding taxation year | | | | | |
| 2345 | 2004-12-31 | 2365 | 2385 | | | |
| 2346 | 3rd preceding taxation year | 2366 | 2386 | | | |
| 2040 | 2005-12-31 | 2000 | [2300] | 10.510 | | |
| 2347 | 2nd preceding taxation year | 2367 | 2387 | | | |
| | 2006-12-31 | | HERE PERCENT | 100 | | |
| 2348 | 1st preceding taxation year | 2368 | 2388 | | | |
| 00.40 | 2007-12-31 Current taxation year | [0000] | loopol | | | |
| 2349 | 2008-12-31 | [2369] | 2389 | | | |
| | | 2370 | 2390 | The sum of amoun | |) + 2390 |
| Totals | | | | must equal amoun | t in 233 | <u>6</u>]. |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 1800380 | 2008-12-31 |

CMT Losses Carried Forward Workchart

| | Corporation's | Predecessors' Pr | 2120000000 HOURS 20000 |
|--|---------------|------------------|------------------------|
| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | Pre-1994 Loss | Amalgamation | Wind-Up |
| Pre-1994 Loss (per schedule) | | | |
| Less: Claimed in prior taxation years commencing after 1993 | | | |
| Pre-1994 Loss available for the current year | | 2 | |
| Less: Deducted in the current year | | | |
| (max. = adj. net income for the year) | | | |
| Expired after 10 years | | - | |
| Pre-1994 Loss Carryforward | | <u> </u> | |

| (ii) Continuity (| of Other Eligible occurring in tax | CMT Losses – Filir years commencing | g Corporation – after 1993) | | | |
|-------------------|------------------------------------|--|--------------------------------|-----------|---------|-----------------|
| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
| 10th Prior Year | 1998-12-31 | | | | | |
| 9th Prior Year | 1999-12-31 | | | | | |
| 8th Prior Year | 2000-12-31 | | | | | |
| 7th Prior Year | 2001-12-31 | | | | | |
| 6th Prior Year | 2002-12-31 | | | | | |
| 5th Prior Year | 2003-12-31 | | | | | |
| 4th Prior Year | 2004-12-31 | 163,343 | | | | 163,343 |
| 3rd Prior Year | 2005-12-31 | 258,710 | | | | 258,710 |
| 2nd Prior Year | 2006-12-31 | 100,322 | | | | 100,322 |
| 1st Prior Year | 2007-12-31 | | | | | |
| | Total | 522,375 | | | | 522,375 |

□ 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 |
|---------------------------|-----------------|-----|------------|--|---------|-----------------|
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| 2006-12-31 | | | | | | |
| 2007-12-31 | | | | GAZE CONTRACTOR OF THE STATE OF | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|--|-------------------|
| NIAGARA WEST TRANSFORMATION CORPORATION | 1800380 | 2008-12-31 |

CMT Losses Carried Forward Workchart (continued)

| Year of Origin | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|----------------|-----------------|-----|------------|-----------|---------|-----------------|
| YYYY/MM/DD | | | | - | 1000 | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| 2006-12-31 | | | | | | |
| 2007-12-31 | | | | | | |
| Total | | | | | | |

Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

NIAGARA WEST TRANSFORMATION CORPORATION

1800380

Taxation Year End
2008-12-31

CMT Credit Carryovers Workchart

2007-12-31 Total

| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|-----------------|---------------------------|-----------------|------------|-----------|---|-----------------|
| 10th Prior Year | 1998-12-31 | | | | | |
| 9th Prior Year | 1999-12-31 | | | | | |
| 8th Prior Year | 2000-12-31 | | | | | |
| 7th Prior Year | 2001-12-31 | | | | | × |
| 6th Prior Year | 2002-12-31 | | | | | |
| 5th Prior Year | 2003-12-31 | | | | | |
| 4th Prior Year | 2004-12-31 | | | | | |
| 3rd Prior Year | 2005-12-31 | | | | | |
| 2nd Prior Year | 2006-12-31 | | | | 100000000000000000000000000000000000000 | |
| 1st Prior Year | 2007-12-31 | | | | | |
| | Total | | | | | |

| | Corporations Only – | | | | | |
|---------------------------|-------------------------------------|-----------------|---------------------------------|-----------|---------|-----------------|
| Indicate the amo | ounts of CMT credit carryoporation. | overs from pred | lecessor corporations. C | | | |
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | _ |
| 2006-12-31 | | | | | | |

| ┌ Predecessor | Corporations Only - | Wind-Up — | | | | D 12: 0(|
|------------------------------|---------------------------|-----------------|-------------------------|---|---------|-----------------|
| Indicate the amo | ounts of CMT credit carry | overs from pred | ecessor corporations. C | | | |
| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | 40-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0- | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-12-31 | | | | | | |
| 2006-12-31 | | | | | | |
| 2007-12-31 | | | | | | |
| Total | | | | | | |

Non-Capital Loss Continuity Workchart – Ontario

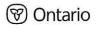
| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|------------------------------------|-------------------------------------|---------------------------------|--------------------------------------|--|------------------------|
| Current | N/A | 128,090 | | | N/A | 128,090 |
| 2007 | | N/A | | N/A | | |
| 2006 | 157,321 | N/A | | N/A | | 157,321 |
| 2005 | 344,575 | N/A | | N/A | | 344,575 |
| 2004 | 47,953 | N/A | | N/A | | 47,953 |
| 2003 | - | N/A | | N/A | | |
| 2002 | | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| Total | 549,849 | 128,090 | | | | 677,939 |

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|------------------------------------|--|--|--|--|------------------------|
| Current | N/A | | | | N/A | |
| 2007 | · | N/A | 1 | N/A | | |
| 2006 | | N/A | ¥ | N/A | | |
| 2005 | · | N/A | | N/A | | |
| 2004 | | N/A | | N/A | | |
| 2003 | | N/A | 8-31000 per 1000 per | N/A | | 7 |
| 2002 | | N/A | | N/A | | |
| 2001_ | S | N/A | | N/A | | |
| 2000 | | N/A | | N/A | | |
| 1999 | | N/A | | N/A | | ** |
| 1998_ | | N/A | | N/A | | |
| Total | | ACTUAL TO THE PARTY OF THE PART | <u> </u> | Account of the control of the contro | W | |

| Year | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce taxable income | Balance at end of year |
|---------|------------------------------------|-------------------------------------|---------------------------------|--------------------------------------|--|------------------------|
| Current | N/A | | | | N/A | |
| 2007 | | N/A | | N/A | | |
| 2006_ | | N/A | | N/A | | |
| 2005 | | N/A | | N/A | | |
| 2004 | | N/A | | N/A | | |
| 2003 | | N/A | | N/A | | |
| 2002 | | N/A | | N/A | | |
| 2001 | | N/A | | N/A | | |
| 2000 | - | N/A | | N/A | | |
| 1999 | | N/A | | N/A | | 241 |
| 1998 | | N/A | | N/A | | |
| Total | | | | | | |

^{*} This balance expires this year and will not be available next year.

Schedule 8



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

| Corporation's | Legal Name | | 55 0 0 min 1 1 1 2 2 3 2 3 2 3 2 3 2 3 2 3 2 3 2 3 | 45000 | | | | Onl | | Tax Account No. | | | Year End |
|-----------------|--|--|---|---|---|---|---|------------------|---|-----------------|--|-----------------------|---|
| NIAGARA ' | WEST TRANSFO | RMATION COR | PORATION | | | | | | 18 | 300380 | | 2008- | 12-31 |
| ls the corpor | ation electing u | nder regulation | 1101(5q)? | 1 Yes | 2 X No | | | | | | | | |
| 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) See note 1 below | Net adjustments (show negative amounts in brackets) | Proceeds of dispositions during the year (amount not to exceed the capital cost) | Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5) | 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below | Reduced undepreciated capital cost (column 6 minus column 7) | CCA rate % | Recapture of capital cost allowance | Terminal loss | Ontario c cost allow (colum multiplie column 9 lower am | n 8 d by ; or a | Ontario undepreciated capital cost at the end of the year (column 6 minus column 12) |
| 1 | 5,707,024 | | | 0 | 5,707,024 | | 5,707,024 | 4 | 0 | 0 | 2 | 28,281 | 5,478,743 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | 1 |
| Totals | 5,707,024 | | | | 5,707,024 | | 5,707,024 | | | | | | 5,478,743 |
| been | previously excluded | from column 3. I | years that has now List separately any ne Tax Act (Canada | acquisitions that a | for use. This proper re not subject to th | erty would have e 50% rule. See | Ent | er in b | oxes 650 | 650 | [| 28,281 on th | e CT23. |

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

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

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Corporate Taxpayer Summary

| Corporate information | |
|--|--|
| Corporation's name NI | AGARA WEST TRANSFORMATION CORPORATION |
| Taxation Year 20 | 08-01-01 to 2008-12-31 |
| 1867 | tario |
| | |
| BC AB SK MB OF | TE TE TO TO THE |
| Corporation is associated N | |
| Corporation is related N | |
| Number of associated corporations | |
| Type of corporation Otl | |
| Total amount due (refund) federal and provincial* | |
| * The amounts displayed on lines "Total amount | due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help. |
| 10 EN 10 10 10 10 10 10 10 10 10 10 10 10 10 | |
| Summary of federal information - | |
| Net income | -128,090 |
| Taxable income | |
| | |
| Calculation of income from an active business of | 5. W 50 at 19 80 VC (MARKET): |
| 455276 | |
| Balance of the low rate income pool at the end of | A A D COLUMN TO SER REPORT AND ADDRESS OF COME OF CONTRACTOR OF THE SERVICE OF TH |
| TABLE OF THE SECOND CO. | 1.4 |
| Balance of the low rate income pool at the end of | fthe year |
| Deleges of the second of the first | 1.61 |
| Balance of the general rate income pool at the e | |
| Balance of the general rate income pool at the e | nd of the year |
| Balance of the general rate income pool at the e Part I tax (base amount) | nd of the year |
| Balance of the general rate income pool at the e Part I tax (base amount) | nd of the year |
| Balance of the general rate income pool at the e Part I tax (base amount) | nd of the year |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax | Summary of tax Refunds/credits |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction | Summary of tax Refunds/credits ITC refund Part I.3 Dividends refund Dividends |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit | Summary of tax Refunds/credits ITC refund Dividends refund Part IV Instalments Instalm |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction | Summary of tax Refunds/credits |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits | Summary of tax Refunds/credits |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction | Summary of tax Refunds/credits |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* | Summary of tax |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* | Summary of tax Refunds/credits |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all | Summary of tax |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all | Summary of tax |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts | Summary of tax Part I Part I Part I.3 Part IV Part IV Part II.1 Surtax credit Other* Provincial or territorial tax Balance due/refund (-) Carryback information |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits | Summary of tax Part I ITC refund Part I.3 Dividends refund Part IV Instalments Part III.1 Surtax credit Other* Other* Provincial or territorial tax Balance due/refund (-) Dividends refund Balance due/refund (-) |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss | Summary of tax Part I ITC refund Part I.3 Dividends refund Part IV Instalments Part III.1 Surtax credit Other* Provincial or territorial tax Balance due/refund () Carryback information |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss | Summary of tax Part I ITC refund Part I.3 Dividends refund Part IV Instalments Part III.1 Surtax credit Other* Other* Provincial or territorial tax Balance due/refund (-) Dividends refund Balance due/refund (-) |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all - Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss | Summary of tax Part I ITC refund Part I.3 Dividends refund Part IV Instalments Part III.1 Surtax credit Other* Other* Provincial or territorial tax Balance due/refund (–) Carryback information |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss Restricted farm loss Surtax credit | Summary of tax Refunds/credits Part I ITC refund Part I.3 Dividends refund Part IV Instalments Part III.1 Surtax credit Other* Other* Provincial or territorial tax Balance due/refund (-) disted in the Help. Press F1 to consult the context-sensitive help. |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss Restricted farm loss Surtax credit Part I tax credit (Schedule 42) | Summary of tax Part I Part I Part I.3 Part IV Part III.1 Surtax credit Other* Provincial or territorial tax Balance due/refund (-) Carryback information |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss Restricted farm loss Surtax credit | Summary of tax Refunds/credits Part I ITC refund Part I.3 Dividends refund Part IV Instalments Part III.1 Surtax credit Other* Other* Provincial or territorial tax Balance due/refund (-) disted in the Help. Press F1 to consult the context-sensitive help. |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss Restricted farm loss Surtax credit Part I tax credit (Schedule 42) | Summary of tax Part I Part I Part I.3 Part IV Part III.1 Surtax credit Other* Provincial or territorial tax Balance due/refund (-) Carryback information |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss Restricted farm loss Surtax credit Part I tax credit (Schedule 42) Federal foreign non-business income tax credit Carryforward balances | Summary of tax Part I Part I Part I3 Part IV Instalments Part II.1 Surtax credit Other* Other* Provincial or territorial tax Balance due/refund (-) Surtax credit Carryback information |
| Balance of the general rate income pool at the e Part I tax (base amount) Surtax Credits against part I tax Small business deduction M&P deduction Foreign tax credit Political contributions Investment tax credits Abatement/Other* * The amounts displayed on lines "Other" are all Summary of federal carryforward Carryback amounts Investment tax credits Non-capital loss Capital loss Farm loss Restricted farm loss Surtax credit Part I tax credit (Schedule 42) Federal foreign non-business income tax credit Carryforward balances RDTOH | Summary of tax Part I Part I Part I.3 Part IV Part III.1 Surtax credit Other* Provincial or territorial tax Balance due/refund (-) Carryback information |

| Summary of federal carryforward/carryback information (continued) | |
|---|---------|
| Gifts of certified cultural property | |
| Gifts of certified ecologically sensitive land | |
| Gifts of medicine | |
| Investment tax credits | |
| Non-capital losses | 677,939 |
| Capital/L.P.P. losses | |
| Farm losses | |
| Restricted farm losses | |
| Current year's balance of SR&ED expenditures (T661) | |
| Foreign business tax credit | |
| Unused surtax credit (Schedule 37) | |
| Capital dividend amount | |
| Part I tax credit (Schedule 42) | |
| Cumulative eligible capital | |
| Capital gains reserves | |
| Financial statement reserve | |
| Other reserves | |
| Balance of patronage dividends | |
| Continuity of exemption of accumulated income | |
| | |
| Summary of provincial information – provincial income tax payable | Albanta |

| Summary of provincial information – provincial income tax pay | Ontario (CT-23) | Québec (CO-17) | Alberta (AT1) |
|--|---------------------------------------|-------------------|------------------|
| let income | -128,090 | | |
| axable income | | | |
| Allocation | 100.00 | | |
| ttributed taxable income | | | |
| | | N/A | N/A |
| urtax | | | IN/A |
| ax payable before deduction* | | | |
| eductions and credits | | * | |
| let tax payable | | | |
| Attributed taxable capital | 6,496,979 | | N/A |
| Capital tax payable** | | | N/A |
| apital tax payable | | | |
| otal tax payable*** | | | |
| nstalments and refundable credits | | | |
| Balance due/Refund (-) | | | |
| For Québec, this includes special taxes. | | | |
| * For Québec, this includes compensation tax and registration fee. | | | |
| ** For Ontario, this includes corporate minimum tax and premium tax. | | | |
| 1 of Officialo, tills moldes corporate minimum test and promise. | British | Saskatchewan | Manitoba |
| | Columbia | | |
| 6 Allocation | | | |
| attributed taxable income | | | |
| ax payable before deduction | · · · · · · · · · · · · · · · · · · · | | |
| Deductions and credits | | | |
| ax payable or refundable credit | | | 16 |
| | | | |
| attributed taxable capital | | | |
| Capital tax payable* | | | - |
| stalments and refundable credits | | | - |
| alance due/Refund (-) | | | |
| For Manitoba, this includes the Outstanding Balance Excluding Instalments. | | | |

| come tax payable (continued) - | | |
|--------------------------------|---|--|
| ndland Prince Edward | Nova Scotia | New Brunswick |
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| ion. | | |
| Yukon | Northwest Territories | Nunavut |
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| ****** | | |
| | | |
| | ion. Prince Edward Island Prince Edward Island Yukon | ion. Yukon Nova Scotia Nova Scotia Nova Scotia Nova Scotia Nova Scotia |

| - Summary of provincial carryforward amounts — | Ontario | Québec | Alberta |
|--|-------------------------------------|-----------|--|
| Non-capital losses , | 677,939 | | - |
| Net capital/L.P.P. losses | | | _ |
| Farm losses | | | |
| Restricted farm losses | | | |
| Donations | | | |
| Capital gains reserves | | | |
| Financial statement reserves | | | <u></u> |
| Other reserves | | | |
| Eligible capital | | | |
| The second secon | | | |
| Other carryforward amounts | | | |
| Ontario | | | 522,37 |
| Continuity of other engine own losses in ming corporation. | | | 322,37 |
| , 100000000, 00. por amorro 0, | ****** | | |
| , readed to postulative till, state ap | | | _ |
| om crock out years to make a part of the control of | | | |
| CMT credit carryovers workchart - Predecessor corporations only - Amalgamation | ************ | | |
| | | | |
| Ontario current taxation year closing balance in pool of deductible SR&ED expenditures | s – O161 | | |
| Continuity Schedule for Federal ITC relating to SR&ED Expenditures for the Preceding | Taxation Year – O161 | ********* | 63,45 |
| Continuity Schedule for the Amount of Federal ITC from SR&ED Expenditures relating | to QORD for | | 63,45 |
| the Preceding Taxation Year – O161 | ******* | | |
| Québec | | | |
| Trab experiences not addition and of the system in a second | ************ | | |
| Foreign non-business income tax credits – CO-17S.39 | | | 0 |
| Non-refundable tax credit for resources – 1029.8.36.EM | ******* | | : |
| Investment Tax Credit – CO-1029.8.36.IN | ******* | | S -4 |
| Development work expenses – FM220.3 | ********* | | × |
| Excess development work expenses – FM220.3 | | | 8-1- |
| Balance of patronage dividends – CO-786 | | | \$ |
| Alberta | | | |
| Unclaimed SR&ED expenditure pool deduction balance – A16 | | | |
| British Columbia | | | |
| Scientific research and experimental development – Schedule 425 | | | 3 |
| Manufacturing and processing – Schedule 426 | | | 2 |
| Manitoba | | | |
| Research and development – Schedule 380 | | | 7-1-1-1-1 |
| Manufacturing investment – Schedule 381 | | | 3 |
| Ou op cadoation and appromiseeing | | | |
| Odour control – Schedule 385 | | | |
| Community enterprise investment – Schedule 387 | | | |
| Saskatchewan | | | |
| Royalty tax rebate – Schedule 400 | | | Value |
| Manufacturing and processing investment – Schedule 402 | | | <u> </u> |
| Research and development – Schedule 403 | | | |
| Newfoundland and Labrador | | | |
| Direct equity tax – Schedule 303 | | | <u> </u> |
| Prince Edward Island | | | |
| Investment – Schedule 321 | | | 2 |
| Nova Scotia | | | |
| Energy efficiency tax credit – Schedule 342 | | | <u> </u> |
| | | | |
| | | | <u> </u> |
| New Brunswick Research and development – Schedule 360 | | | |
| | Y Y Y POYONO PO F X X X N X X X XXX | | Maria de la companya |
| Nunavut | | | |
| Investment – Schedule 480 | | | |