

BRITISH COLUMBIA MINING EXPLORATION TAX CREDIT
(2003 and later taxation years)

Name of corporation	Business Number	Taxation year-end Year Month Day
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- Use this schedule to claim the British Columbia mining exploration tax credit. To be eligible for the credit, a corporation must have a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in British Columbia and have incurred qualified mining exploration expenses in the taxation year. To be eligible, the corporation must apply no later than 36 months after the end of the taxation year for which it is claiming the credit.
- A corporation that is a member of a partnership, other than a specified member as defined in subsection 248(1) of the federal *Income Tax Act*, can claim its appropriate portion of the British Columbia mining exploration tax credit earned on qualified mining exploration expenses incurred by the partnership after March 31, 2003. A specified member includes any limited partner. Attach a completed Form T1249, *British Columbia Mining Exploration Tax Credit Partnership Schedule (2003 and later taxation years)*, which is available at www.cra.gc.ca/forms on our Web site or by calling **1-800-959-2221**, to calculate your proportionate share and enter this amount on line 15. If your only source of the British Columbia mining exploration tax credit is from a partnership, complete only line 15 of this form.
- You are **not eligible** to claim the British Columbia mining exploration tax credit if any of the following apply:
 - all or part of the corporation's taxable income was at any time in the taxation year exempt from tax under Part I of the federal *Income Tax Act*;
 - the corporation did not maintain a permanent establishment in British Columbia at any time in the taxation year;
 - the corporation was, at any time of the year:
 - 1) a non-resident-owned investment corporation or was controlled directly or indirectly in any manner whatever by a non-resident-owned investment corporation; or
 - 2) exempt from tax under subsection 149(1) of the federal Act or was controlled directly or indirectly in any manner whatever by one or more persons, all or part of whose income is exempt from tax;
 - the corporation has claimed the corporate income tax holiday for new small businesses under section 17 of the *Income Tax Act* (British Columbia) in the current taxation year; or
 - the corporation was at any time in the year:
 - 1) a prescribed labour-sponsored venture capital corporation under subsection 6701(c) of the federal *Income Tax Regulations*;
 - 2) a small business venture capital corporation registered under section 3 of the *Small Business Venture Capital Act*; or
 - 3) a corporation that has registered an employee share ownership plan under section 2 of the *Employee Investment Act* or is an employee venture capital corporation registered under section 8 of that same act.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Income Tax Act* (British Columbia). Questions about the collection or use of this information can be directed to the Income Taxation Branch at (250) 387-3332, PO Box 9444, Stn Prov Govt, Victoria BC V8W 9W8.

Part 1 – Exploration information

A mineral resource that qualifies for the credit means: a base or precious metal deposit, a coal deposit, a bituminous sands deposit or oil shale deposit, and certain other deposits in which the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin, sylvite, silica extracted from sandstone or quartzite, and deposits certified by the Minister of Natural Resources that the principal mineral extracted therefrom is an industrial mineral contained in a non-bedded deposit.

British Columbia Free Miner Certificate Number **010** _____

List mineral(s) for which exploration has taken place:

020 _____	040 _____
030 _____	050 _____

For qualified mining exploration expenses reported in Part 2, identify each project, mineral title, and mining division where title is registered. If there were no mineral titles, identify the project and mining division only. Attach additional schedules if more space is required.

Project name 070	Mineral title(s) 080	Mining division 090
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

Part 2 – Qualified mining exploration expenses

Qualified expenses are expenses that the corporation incurred after July 31, 1998, and before January 1, 2017, for goods and services that are all or substantially all provided in British Columbia. Expenses must be reasonable in the circumstances and not be an expense that has been claimed by another person, other than an eligible taxpayer claiming their proportionate share as a member of a partnership, in relation to the mining exploration tax credit.

By category, enter the total qualified mining exploration expenses incurred in the taxation year for mineral titles listed in Part 1.

Prospecting	100	_____	1
Geological, geophysical, or geochemical surveys	110	_____	2
Drilling by rotary, diamond, percussion, or other methods	120	_____	3
Trenching, digging test pits, and preliminary sampling	130	_____	4
Other qualified mining exploration expenses. Attach additional schedules if more space is required.			

	Description	Amount
	135	140
A.		
B.		
C.		
D.		

Total other qualified mining exploration expenses _____ **▶** _____ 5

Total qualified mining exploration expenses (add lines 1 to 5) **180** _____ 6

Note: Expenses that **do not** qualify for this credit include:

- an amount renounced under subsection 66(12.6) of the federal Act, in respect of an expense incurred after July 30, 2001;
- any expenses related to a mine that has come into production in reasonable commercial quantities, or to a potential or actual extension of such a mine;
- a Canadian development expense (CDE) or a Canadian exploration and development overhead expense (CEDOE) as defined in the federal *Income Tax Act* and *Regulations*. A CEDOE includes administration, management, or financing of the corporation, and salary, wages, or other remuneration or related benefits paid to a person employed by the corporation whose duties were not all or substantially all directed towards exploration or development activities. It also includes payments for taxes, insurance, maintenance, and leases for property on which there were no substantial exploration activities;
- an outlay or expense included in the capital cost of depreciable property;
- any consideration given by the corporation for any share or any interest in or right to a share;
- the corporation's share of any outlay or expense incurred by a partnership before April 1, 2003;
- any expense which is a cost of, or for the use of, seismic data referred to in paragraph 66(12.6)(b.1) of the federal Act;
- those incurred in drilling or completing an oil or gas well, including the cost of building a temporary access road or in preparing the site; and
- an outlay or expense incurred in the course of earning income if any of the income is exempt income, as defined in subsection 248(1) of the federal Act, or is exempt from tax under Part I of the federal Act.

Part 3 – Determining the amount of assistance

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received, is entitled to receive, or can reasonably be expected to receive in respect of the amounts referred to in Part 2 above **190** _____ 7

Deduct: Total of amounts which have been repaid in respect of line 7 **200** _____ 8

Assistance (line 7 minus line 8) **210** _____ 9

Part 4 – Determining the mining exploration tax credit

Total qualified mining exploration expenses (amount from line 6 of Part 2) _____ 10

Deduct: Net assistance (amount from line 9 of Part 3) _____ 11

Subtotal (line 10 minus line 11) _____ 12

Applicable rate 20% 13

Subtotal (line 12 multiplied by line 13) _____ 14

Credit allocated to a corporation that is a member of a partnership. Enter your proportionate share from line 17 of Form T1249, *British Columbia Mining Exploration Tax Credit Partnership Schedule*. Attach Form T1249 to your return. **220** _____ 15

Mining exploration tax credit (line 14 plus line 15) _____ 16

Enter the amount from line 16 on line 673 in Part 2 of Schedule 5.

Certification

I, _____, _____, _____,
 (Surname in block letters) (First name in block letters) Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this schedule, and that the information given on this schedule, and all attached documents, is to the best of my knowledge, correct and complete.

_____ Date Signature of an authorized signing officer of the corporation Telephone number

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

_____ Name in block letters Telephone number