

YUKON MINERAL EXPLORATION TAX CREDIT
(2001 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 Yukon mineral 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 the Yukon and must have incurred eligible mineral exploration expenses in the taxation year. Mineral exploration expenses must have been incurred after March 31, 1999, and before April 1, 2003, to be eligible for the credit.
- You are **not eligible** to claim the Yukon mineral exploration tax credit if any of the following apply:
 - the corporation did not maintain a permanent establishment in the Yukon at any time in the taxation year;
 - the corporation is:
 - a non-resident-owned investment corporation, or at any time of the year was controlled by a non-resident-owned investment corporation; or
 - exempt from tax under subsection 149(1) of the federal *Income Tax Act*, or at any time of the year was controlled by one or more persons, all or part of whose income is exempt from tax.
- To claim the Yukon mineral exploration tax credit, eligible expenditures must be identified on this schedule and filed with the Canada Customs and Revenue Agency no later than twelve months after the taxation year in which the expenditures were incurred.
- Corporations that received amounts from the issuance of a security issued for the small business investment tax credit certificate for which a business plan, filed with the application for the certificate, indicated the amounts were intended to be used for a purpose described under eligible mineral exploration expense (subsection 9.1(4) of the *Income Tax Act (Yukon)*), must reduce their total eligible mineral exploration expenses by the amount calculated in Part 4 of this schedule.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*. Also, send a completed copy to: Yukon Department of Finance, Box 2703, Whitehorse, Yukon, Y1A 2C6.

Access to 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 (Yukon)*. Questions about the collection or use of this information can be directed to the Yukon Department of Finance at (867) 667-5343, Box 2703, Whitehorse, Yukon, Y1A 2C6.

Part 1 – Exploration information

A mineral resource that qualifies for the credit includes the following deposits: a base or precious metal, coal, bituminous sands or oil shale, and certain other deposits where the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin, or sylvite, and silica extracted from sandstone or quartzite.

Briefly list mineral(s) for which exploration has taken place.

020 _____	040 _____
030 _____	050 _____

For eligible mineral exploration expenses reported in Part 2, identify each project, claim grant number, and mining district where title is registered. If there were no claim grant numbers, identify the project and mining district only. Attach additional schedules if more space is required.

Project name 070	Claim grant number (if any) 080	Mining district 090
1.		
2.		
3.		
4.		
5.		
6.		

Part 2 – Eligible mineral exploration expenses

Expenses must be incurred by the corporation after March 31, 1999, and before April 1, 2003, and have to be incurred to determine the existence, location, extent, or quality of a mineral resource in the Yukon.

By category, enter the total eligible mineral 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

Part 2 – Eligible mineral exploration expenses – continued from page 1

Other eligible mineral exploration expenses. Attach additional schedules if more space is required.

	Description	Amount
	140	150
A.		
B.		
C.		

Total other eligible mineral exploration expenses 5

Total eligible mineral exploration expenses (add lines 1 to 5) **160** 6

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

- 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, or any expense incurred before the coming into production of the new mine (including clearing, removing overburden and stripping as well as sinking a mine shaft, constructing an adit or other underground entry);
- 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;
- the 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 expense renounced to the corporation under section 66 of the federal *Income Tax 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 or is entitled to receive in respect of the amounts referred to in Part 2 above **170** 7

Deduct: Total of amounts which have been repaid in respect of line 7 above **180** 8

Assistance (line 7 minus line 8) **190** 9

Part 4 – Determining the assistance from the Yukon small business investment tax credit

Your claim for the Yukon mineral exploration tax credit will be reduced if the corporation has benefited from both the Yukon mineral exploration tax credit and the Yukon small business investment tax credit. Complete Part 4 **only** if the corporation has financed mineral exploration with funds for which a tax credit was issued under authority of the Yukon small business investment tax credit.

The total of all amounts that would have been the Yukon mineral exploration tax credits for all preceding years if there were no adjustment for the Yukon small business investment tax credit **200** 10

Deduct: The actual amount of the corporation's Yukon mineral exploration tax credits claimed for all preceding years **210** 11

Subtotal (line 10 minus line 11) **220** 12

Amount 12 _____ x $\frac{100}{22}$ = _____ 13

The total of all amounts received either in the year or in any preceding year for the issuance of security in respect of a Yukon small business investment tax credit certificate, for which a business plan filed with the application for the certificate stated that the amount was intended to be used for a purpose described in the definition of eligible mineral exploration expense in subsection 9.1(4) or was so used **240** 14

Deduct: The amount from line 13 **250** 15

Assistance from the small business investment tax credit (line 14 minus line 15) **260** 16

Part 5 – Determining the Yukon mineral exploration tax credit

Total eligible mineral exploration expenses (amount from line 6 of Part 2) 17

Deduct: Net assistance (amount from line 9 of Part 3) 18

Assistance from the small business tax credit (amount from line 16 of Part 4) 19

Subtotal (line 18 plus line 19) 20

Net eligible mineral exploration expenses (line 17 minus line 20) 21

Expenditures before April 1, 2001 from line 21 **322** _____ x 22% 22 _____ = _____ 23

Expenditures after March 31, 2001 from line 21 **325** _____ x 25% 24 _____ = _____ 25

Yukon mineral exploration tax credit (total of line 23 plus line 25) 26

Enter the amount from line 26 on line 697 in Part 2 of Schedule 5.