

**YUKON MINERAL 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 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, 2004, to be eligible for the credit.
- You are **not eligible** to claim the Yukon mineral exploration tax credit if, at any time in the taxation year, the corporation did not maintain a permanent establishment in the Yukon or any of the following applies:
 - 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
 - the corporation is 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 12 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 minerals and other deposits: a base or precious metal; coal; bituminous sands or oil shale; deposits where the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin, sylvite, or silica extracted from sandstone or quartzite; and deposits certified by the Minister of Natural Resources that the principal mineral extracted is an industrial mineral contained in a non-bedded deposit.

List mineral resource(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, 2004, for the purpose of determining 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 140	Amount 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 or 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 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 $\frac{100}{25}$ = _____ 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
Applicable rate	<u>25%</u>	22
Yukon mineral exploration tax credit (line 21 multiplied by line 22)	_____	23

Enter the amount from line 23 on line 697 in Part 2 of Schedule 5.