



YUKON MINERAL EXPLORATION TAX CREDIT (2006 and later tax years)

Name of corporation Business Number Tax year-end (Year, Month, Day)

- Use this schedule to claim the Yukon mineral exploration tax credit. To be eligible for the credit, a corporation must have a permanent establishment... A corporation that is a member of a partnership... You are not eligible to claim the Yukon mineral exploration tax credit if: - the corporation did not maintain a permanent establishment... - the corporation is exempt from tax... The maximum amount of Yukon mineral exploration tax credit you can claim... To claim the Yukon mineral exploration tax credit, eligible expenditures must be identified... Corporations that received amounts from a security issued for the small business investment tax credit certificate... File one completed copy of this schedule with your T2 Corporation Income Tax Return.

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 Yukon Income Tax Act.

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; 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 for which the principal mineral extracted is an industrial mineral contained in a non-bedded deposit.

List mineral resource(s) for which exploration has taken place.

020 030 040 050

For eligible mineral exploration expenses reported in Part 2, identify each project, claim grant number, and mining district where title is registered. Attach additional schedules if more space is required.

Table with 3 columns: Project name (070), Claim grant number (if any) (080), Mining district (090). Rows 1-6.

Part 2 – Eligible mineral exploration expenses

Expenses must be incurred by the corporation after March 31, 1999, and before April 1, 2007, 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 tax year for mineral titles listed in Part 1. (Include the corporation's appropriate portion of eligible mineral exploration expenses incurred by a partnership).

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 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 toward 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 cost of, or for the use of, seismic data referred to in paragraph 66(12.6)(b.1) of the federal *Income Tax 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
Net 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 20(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, 2006, from line 21 * 325	_____ x $\frac{25\%}{25}$	22	= _____ 23
Expenditures after March 31, 2006, from line 21 * 460	_____ x $\frac{25\%}{25}$	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.			

* The maximum amount of Yukon mineral exploration tax credit you can claim for expenditures incurred after March 31, 2006, is \$300,000.

Part 6 – Cumulative amount of the Yukon mineral exploration tax credit after March 31, 2006

Maximum Yukon mineral exploration tax credit on expenses incurred after March 31, 2006 and before April 1, 2007:	_____	\$300,000
Deduct:		
Total of all prior-year Yukon mineral exploration tax credits on expenses incurred after March 31, 2006:	_____	A
Yukon mineral exploration tax credits on expenses incurred after March 31, 2006 (amount from line 25 in Part 5):	_____	B
Subtotal (line A plus line B)	_____ ▶	_____
Balance (if negative enter "0")	_____	_____