TAX INFORMATION FOR 2014

MRF
MIDDLEFIELD RESOURCE FUNDS

DISCOVERY
FLOW-THROUGH LIMITED PARTNERSHIPS
### Statement of Partnership Income

**Fiscal period ending:** 
Exercice se terminant le: XXXX MM DD

**Filer's name and address:**
Nom et adresse du déclarant

**Partner's name and address:**
Nom et adresse de l'associé

**Partner's identification number:**
Numéro d'identification de l'associé

**Partner's share (%):**
Part de l'associé (%) dans la société de personnes

**Total limited partner business income (loss):**
Revenu (perte) total(e) d'entreprise du commanditaire

**Total capital gains (losses):**
Total des gains (pertes) en capital

**Capital cost allowance:**
Déduit pour amortissement

**Recipient type:**
Genre de bénéficiaire

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**Box – Case Code Amount – Montant**

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Dear Investor:

The purpose of this guide is to provide you with information to assist you in filing your income tax return for 2014. The tax slips necessary to file your return will be mailed separately by your investment advisor.

Enclosed in this guide please find the following tax information for 2014:

(i) Sample T5013 located opposite this page, including instructions.
(ii) Federal tax forms you will require to file your income tax return (T1229, T2038, T5004).

We have enclosed only the Federal tax forms you will require to file your income tax return. Any Provincial tax forms that you may require can be obtained directly from your local tax office. Federal tax forms can also be obtained by visiting the Canada Revenue Agency website at www.cra-arc.gc.ca.

The proceeds raised in each of the Partnerships listed above were fully invested in oil and gas and mining companies in the year of their respective initial public offerings. Please refer to our website at www.middlefield.com for updated information.

For the 2015 taxation year, investors may wish to consider investing in our new partnership, MRF 2015 Resource Limited Partnership, which is currently available. Please contact your Investment Advisor for more information on this new offering.

The information contained in this guide is strictly for information purposes and should not be regarded as tax advice. We suggest you consult with your tax advisor to determine the optimal use of your share of the federal/provincial deductions/credits, as well as the impact, if any, on your liability for alternative minimum tax. If you have any difficulties completing your income tax return or claiming any deductions/credits which appear on your T5013/Relevé 15, you should consult your tax advisor. Additionally, if you are a corporation or trust and require assistance, please consult with your tax advisor as this guide is for individual taxpayers only.

We hope the enclosed information will be useful to you in completing your 2014 income tax return.

Please visit our website at www.middlefield.com for more information on all our Partnerships, including month-end net asset values.

Yours truly,

Nancy Tham
Managing Director, Sales and Marketing
416-847-5349
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### For Saskatchewan Filers Only

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## Filing Instructions for Form Relevé 15

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### Exhibit A: Relevé 15 Memo Supplementary

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FILING INSTRUCTIONS FOR FORM T5013

A. Business Income (Loss), Capital Gains (Losses), Eligible Dividends, Interest Income and Carrying Charges from a Partnership

Box 010  Total limited partners business income (loss)  This amount is the total of the amount in box 104.

Box 030  Total capital gains (losses)  This amount is the total of the amount in box 151.

Box 104  Limited partner’s business income (loss)  This amount represents your share of partnership income (loss) for 2014. This amount should be reported on line 122, page 2 of your 2014 income tax return.

Box 105  Limited partner’s at-risk amount  This amount represents a partner’s original cost of partnership interest plus or minus certain adjustments. A limited partner cannot deduct partnership losses, resource expenses and investment tax credits in excess of the at-risk amount. This amount is for reference only and is not reported in your 2014 income tax return.

Box 108  Limited partnership loss available for carryforward  This amount represents your share of the current year limited partnership loss that cannot be deducted. This amount is for reference only and is not reported in your 2014 income tax return.  

Note: You can only deduct this amount from future partnership income allocations if you have a positive at-risk amount. You can carry forward this amount indefinitely.

Box 128  Interest from Canadian sources  This amount represents your share of partnership interest income for 2014. This amount should be reported in Part II, “Interest and other investment income” of Schedule 4. The total amount in Part II should be reported on line 121, page 2 of your 2014 income tax return.

Box 132  Actual amount of eligible dividends  This amount represents your share of partnership actual eligible dividends for 2014. This amount is for reference only and is not reported in your 2014 income tax return.

Box 133  Taxable amount of eligible dividends  This amount should be reported in Part I, “Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations” in the eligible dividends section of Schedule 4. The total amount in Part I should be reported on line 120, page 2 of your 2014 income tax return.

Box 134  Dividend tax credit for eligible dividends  This amount should be reported on line 425 of Schedule 1. The total amount on line 66 of Schedule 1 should be reported on line 420, page 4 of your 2014 income tax return.
**Box 151**  
**Capital gains (losses)**  
This amount represents your share of partnership capital gains (losses) for 2014.

This amount should be reported on line 174, “Information slips – Capital gains (or losses)” from all your T5, T5013 and T4PS slips of Schedule 3. The taxable capital gains on line 199 of Schedule 3 should be reported on line 127, page 2 of your 2014 income tax return.

**Box 201**  
**Number of units acquired**  
This is the number of units in the partnership that you bought in the year. This number is for reference only and is not reported in your 2014 income tax return.

**Box 202**  
**Cost per unit**  
This is the cost of each unit in the partnership that you bought. This number is for reference only and is not reported in your 2014 income tax return.

**Box 203**  
**Total cost of units**  
This amount represents a partner’s original cost of partnership interest. This amount is for reference only and is not reported in your 2014 income tax return.

**Box 210**  
**Total carrying charges**  
This amount represents your share of partnership carrying charges related to borrowings of the partnership.

This is the total of the amount in box 214. This amount should be reported in Part III, “Carrying charges and interest expenses” of Schedule 4. The total amount in Part III should be reported on line 221, page 3 of your 2014 income tax return.

The amount of any deductible interest expense you incurred in the year on a borrowing to finance your limited partnership units should be reported in the same manner as the carrying charges in Box 210 of Form T5013.

**Box 214**  
**Carrying charges on resource property and flow-through shares**  
This amount is included in box 210 and this box provides additional information in respect of carrying charges.

**B. Claiming Canadian Exploration Expenses (CEE), Canadian Development Expenses (CDE)**

**Box 190 and 191**  
**Renounced Canadian exploration and development expenses**  
This amount represents your share of renounced CEE and CDE for 2014.
**FILING INSTRUCTIONS FOR FORM T5013 (CONTINUED)**

**Box 190 and 191**  
Renounced Canadian exploration and development expenses (continued)

This amount should be reported in Form T1229 – Statement of Resource Expenses and Depletion Allowance for calculating the maximum CEE and CDE deduction available in 2014 to reduce your federal taxable income for the year, or for a future year.

(i) Report any carry forward balance of Cumulative CEE (CCEE) and Cumulative CDE (CCDE) from the prior year to Area II box (1) of your 2014 Form T1229. A carry forward would arise if you had any undeducted CEE or CDE from previous years.

(ii) Report the amount from box 190 and box 191 of the T5013 slip to Area I and Area II of Form T1229.

(iii) Report previous year’s (2013) claim for the federal investment tax credit and current year’s (2014) claim for the provincial flow-through share tax credit to Area II of Form T1229.

(iv) Calculate box A by adding box (1) to box (2) and subtracting box (3).

(v) If the amount in box A of Form T1229 is negative, report this amount as other income on line 130, page 2 of your 2014 income tax return.

(vi) For CEE, calculate box (4) by multiplying box A by 100%. For CDE, calculate box (4) by multiplying box A by 30%.

(vii) Report your desired CEE and CDE claim for the current year in box B, Area II of Form T1229.

**Note:** You may claim any amount of CEE and CDE deduction up to a maximum of box (4).

(viii) Calculate box [A-B] by subtracting box B from box A. Box [A-B] will be the amount carried forward to the 2015 taxation year.

**Note:** Any unused balance of the CEE and CDE pool at the end of the year can be carried forward indefinitely.

(ix) Report Area II, box B to Area III. The total amount in Area III should be reported on line 224, page 3 of your 2014 income tax return.

**C. Claiming the Federal Investment Tax Credit**

**Box 194**  
Expenses qualifying for an Investment Tax Credit (ITC)

This amount represents the renounced CEE that qualify for the Investment Tax Credit in 2014.

This amount should be reported on Form T1229 – Statement of Resource Expenses and Depletion Allowance and T2038 – Investment Tax Credit (Individuals) for calculating the investment tax credit available in 2014 to reduce your federal tax payable for the year, for a previous year, or for a future year.

(i) Report the amount in box 194 on the T5013 slip to Area I & IV of Form T1229.

(ii) Report the provincial flow-through share tax credit available in the year to Area IV of Form T1229.

(iii) Calculate the eligible expenditure qualifying for an investment tax credit in Area IV of Form T1229 and enter the amount on line 6717, Part B of Form T2038.

(iv) Calculate line B in Part B of Form T2038 by multiplying line 6717 by 15% and enter the amount in column 3 of Part F on page 6 of Form T2038.
FILING INSTRUCTIONS FOR FORM T5013 (CONTINUED)

Box 194 Expenses qualifying for an Investment Tax Credit (ITC) (continued)

(v) Report any carry forward balance of federal investment tax credits from the prior year in column 1 of Part F, page 6 of your Form T2038.

(vi) Calculate column 5 of Part F on page 6 of your Form T2038 by adding column 1, 2 and 3 and subtracting column 4.

(vii) Report the amount from column 5 of Part F on line F of Part D of Form T2038.

(viii) Calculate line G of Part D of Form T2038 by subtracting any federal political contribution tax credits and labour-sponsored funds tax credits from Federal Tax.

(ix) Report the lesser of line F or line G of Part D in line H of Part D and in column 6 on page 6 of Form T2038. The amount in column 6 should be reported on line 412 of Schedule 1 – Federal tax. If you are subject to alternative minimum tax, enter zero in column 6 and proceed to “Calculating an allowable claim if alternative minimum tax (AMT) applies”.

(x) Calculate column 9 by subtracting column 6, 7, 8 from column 5. The amount will be carried forward to your 2015 tax return.

Note: Any unused credit at the end of the year, which was earned in 2014, can be carried back three years. Any unused credit earned after 1997 can be carried forward for up to 20 years.

(xi) Report line 66 of Schedule 1 on line 420, page 4 of your 2014 income tax return.

D. Claiming a Deduction for Issue Costs (for dissolved partnerships only)

After the dissolution of the partnership, you are entitled to deduct your pro-rata share of the undeducted issue costs of the partnership on the same basis as such expenses would have been deducted by the partnership were it not dissolved. The enclosed “Issue Cost Amortization Schedule” summarizes the remaining deductions available to you. In each year, you should multiply the deduction per unit indicated for the respective year by the number of units you held in the partnership and enter the result on line 232 (or its equivalent), “Other deductions” of the 2014 income tax return. A copy of this schedule should be included with the income tax return for each year that this deduction is claimed.

FOR ONTARIO RESIDENTS ONLY

E. Claiming the Ontario Focused Flow-Through Share Tax Credit – Ontario Residents Only

Box 200 Expenses qualifying for Ontario tax credit

This amount represents the renounced Canadian exploration expenses that qualify for the Ontario Focused Flow-Through Share Tax Credit for 2014.

This amount should be reported on Form T1221 – Ontario Focused Flow-Through Share Resource Expenses (Individuals) for calculating the total qualifying resource expenses available in 2014.

(i) Report the amount from box 200 on the T5013 slip to line 1, 2 or 3 of Form T1221.

(ii) Report the amount from line 4 of T1221 to line 6266 in the “Ontario focused flow-through share tax credit” section of Form ON479 – Ontario Credits.

(iii) Calculate line 7 on Form ON479 by multiplying line 6266 by 5%.

(iv) Report the amount from line 11 of ON479 on line 479 of page 4 of your 2014 income tax return.
FILING INSTRUCTIONS FOR FORM T5013 (CONTINUED)

FOR BRITISH COLUMBIA FILERS ONLY

F. Claiming the British Columbia Mining Flow-Through Share Tax Credit – BC Filers Only

- **Box 197**
  
  **Expenses qualifying for British Columbia tax credit**
  
  This amount represents the renounced Canadian exploration expenses that qualify for the BC Mining Flow-Through Share Tax Credit for 2014.

  This amount should be reported on Form T1231 – British Columbia Mining Flow-Through Share Tax Credit for calculating the BC investment tax credit available in 2014.

  (i) Report the amount from box 197 on the T5013 slip on line 1, Part 1 of Form T1231.

  (ii) Calculate line 3 of Form T1231 by multiplying line 1 by 20%.

  (iii) Complete Part 2, BC MFTS tax credit claim for 2014 and report your BC MFTS tax credit claim on line 9 of Form T1231.

  (iv) Complete Part 3, “Carryback and amount available to carry forward” if you have any unused credit at the end of the year.

  (v) Report the amount from line 9 of Form T1231 on line 73 of Form BC428 on line 428, page 4 of your 2014 income tax return.

FOR MANITOBA FILERS ONLY

G. Claiming the Manitoba Mineral Exploration Tax Credit – Manitoba Filers Only

- **Box 199**
  
  **Expenses qualifying for Manitoba tax credit**
  
  This amount represents the renounced Canadian exploration expenses that qualify for the Manitoba mineral exploration tax credit for 2014.

  This amount should be reported on Form T1241 – Manitoba Mineral Exploration Tax Credit for calculating the Manitoba mining exploration tax credit available in 2014.

  (i) Report the amount from box 199 of the T5013 slip on line 2, Part 1 of Form T1241.

  (ii) Calculate line 4 of Form T1241 by multiplying line 2 by 30%.

  (iii) Complete Part I, Manitoba mineral exploration tax credit claim for 2014 and report your Manitoba mineral exploration tax credit claim for the current year on line 8 of Form T1241.

  (iv) Complete Part 2, “Unused credit available” if you have any unused credit at the end of the year.

  (v) Report the amount from line 8 of Form T1241 on line 66 of Form MB428 Box 6083 – Manitoba Tax or on line 43 in Part 4, Section MB428MJ of Form T2203 – Provincial Tax (Multiple Jurisdictions), whichever applies.

  (vi) Report the amount from line 69 of Form MB428 on line 428, page 4 of your 2014 income tax return.
FILING INSTRUCTIONS FOR FORM T5013 (CONTINUED)

FILING INSTRUCTIONS FOR SASKATCHEWAN FILERS ONLY

H. Claiming the Saskatchewan Mineral Exploration Tax Credit – Saskatchewan Filers Only

Box 198 Expenses qualifying for Saskatchewan tax credit
You may receive Form SK-METC – Saskatchewan Mineral Exploration Tax Credit, which indicates the amount of Saskatchewan mineral exploration tax credit available for 2014.

(i) If Form SK-METC is received, report the amount of tax credit from that form on line 70 of Form SK428 – Saskatchewan Income Tax and Credits or on line 47 in Part 4, Section SK428MJ of Form T2203 – Provincial Tax (Multiple Jurisdictions), whichever applies.

(ii) Report the amount from line 75 of Form SK428 or line 54 in Part 4, Section SK428MJ of Form T2203 – Provincial Tax (Multiple Jurisdictions) on line 428 page 4 of your 2014 income tax return.

FILING INSTRUCTIONS FOR FORM RELEVÉ 15

FOR QUÉBEC FILERS ONLY

I. Business Income (Loss), Capital Gains (Losses), Eligible Dividends, Interest Income and Carrying Charges from a Partnership

Box 1 Net Canadian and foreign business income (loss)
This amount represents your share of partnership income (loss) for 2014.

This amount should be reported on line 29 of Schedule L “Net Business Income”. The total net business income on line 34 of Schedule L should be carried to line 164, page 2 of your 2014 Québec Income Tax Return.

A negative amount included on line 29 of Schedule L should be reported on line 10 of Schedule N “Adjustment of Investment Expenses”. A positive amount included on line 29 of Schedule L should be reported on line 24 of Schedule N. The adjustment of investment expenses on line 40 of Schedule N should be carried to line 260, page 2 of your 2014 Québec Income Tax Return.

Box 6a Actual amount of eligible dividends
The amount in Box 6a represents your share of the partnership’s actual eligible dividends received from Canadian corporations for 2014. This amount should be reported on line 166, page 2 of your 2014 Québec Income Tax Return.

The taxable dividend is calculated by multiplying the amount in box 6a by 1.38. The amount of taxable dividend should appear in an additional box 6a-1 in the bottom of the Relevé 15 slip. The amount of taxable dividend should be reported on line 128, page 2 of your 2014 Québec Income Tax Return. The amount included on line 128 should be reported on line 20 of Schedule N.

See Box 44 for instructions regarding the dividend tax credit.
Box 7  **Interest and other investment income from Canadian sources**
This amount represents your share of partnership interest income for 2014.

This amount should be reported on line 130, page 2 of your 2014 Québec Income Tax Return. The amount included on line 130 should be reported on line 22 of Schedule N.

Box 12  **Capital gains (or capital losses)**
This amount represents your share of partnership capital gains (losses) for 2014 from resource property.

This amount should be reported on line 47 of Schedule G "Capital Gains and Losses". The total taxable capital gain from line 98 of Schedule G should be reported on line 139, page 2 of your 2014 Québec Income Tax Return. If none of the property you disposed of entitles you to the capital gains deduction (see line 292, page 3 your 2014 Québec Income Tax Return and Section 260 of the Revenu Québec Guide to your 2014 return), enter the amount indicated on line 139 of your return on line 34 of Schedule N.

**Note:** You are advised to consult with your tax advisor to determine your eligibility for exemption on gains realized from the disposition of resource property.

Box 14  **Gross income (or gross loss) of the partnership**
This amount represents the total 2014 gross income of the partnership.

You are not required to report this amount on your 2014 Québec Income Tax Return.

Box 15A  **Carrying charges and interest expenses**
This amount represents your share of partnership carrying charges related to borrowings of the partnership.

This amount should be reported on line 231, page 2 of your 2014 Québec Income Tax Return and on line 12 of Schedule N.

The amount of any deductible interest expense you incurred in the year on a borrowing to finance your limited partnership units should be reported in the same manner as the carrying charges described in Box 15A.

Box 26  **At-risk amount**
This amount represents a partner’s original cost of partnership interest plus or minus certain adjustments. A limited partner cannot deduct partnership losses and resource expenses in excess of the “at-risk” amount. This amount is for reference only and is not reported in your 2014 Québec Income Tax Return.
For Québec filers only

Box 27  Limited partnership loss
This amount represents your share of the current year limited partnership loss that cannot be deducted.

Note: You can only deduct this amount from future partnership income allocations if you have a positive at-risk amount. When deducted, this amount will also be taken into account in computing your adjustment of investment expenses for the year. You can carry forward this amount indefinitely.

Box 44  Dividend tax credit
This amount represents your share of the dividend tax credit.

This amount should be reported on line 415, page 3 of your 2014 Québec Income Tax Return.

Box 45  Eligible taxable capital gains amount on resource property
Use this amount to complete form TP-726.20.2-V, “Capital Gains Deduction on Resource Property”. Enter the amount in Box 45 on Line 27 of Form TP-726.20.2-V.

Box 52  Total cost of units
This amount represents a partner’s original cost of partnership interest.

This amount is for reference only and is not reported in your 2014 Québec Income Tax Return.

J.  Claiming Canadian Exploration Expenses

Box 60  Canadian exploration expenses
This amount represents your share of Canadian exploration expenses (CEE) for 2014.

This amount should be added to the Cumulative Canadian Exploration Expenses (CCEE) pool to determine the maximum available resource deduction. This deduction is claimed at line 241, page 2 of your 2014 Québec Income Tax Return. We have enclosed a blank Relevé 15 memo supplementary (see Exhibit A) to assist you with the calculations.

(i)  Report any carryforward balance of CCEE from the prior year in column A on the Relevé 15 memo supplementary schedule.
(ii) Report the amount from box 60 of the Relevé 15 slip in column B of the Relevé 15 memo supplementary schedule.
(iii) Report the aggregate amount from box 62 and the corresponding amount in box 66, item 62, of the Relevé 15 slip, in column F of the Relevé 15 memo supplementary schedule.
(iv) Calculate column H by adding column A to column B and subtracting column C, D, E, F and G.
FILING INSTRUCTIONS FOR FORM RELEVÉ 15 (CONTINUED)

FOR QUÉBEC FILERS ONLY

Box 60  
Canadian exploration expenses (continued)

(v)  Report your desired CEE claim for the current year in column I.
   **Note:** You may claim any amount of CEE deduction up to a maximum of 100% of box H.

(vi) Calculate column J by subtracting column I from column H. Column J will be carried forward to your 2015 Québec Income Tax Return.

(vii) Report the amount in column I of Relevé 15 memo supplementary schedule to line 241, page 2 of your 2014 Québec Income Tax Return.

(viii) Report an amount equal to 50% of the deduction claimed at line 241 (Resource deductions) on line 14 of Schedule N.

K. Claiming Québec Exploration Expenses

Box 62  
Québec exploration expenses
This amount represents your share of Québec exploration expenses for 2014.

This amount should be reported on line 250, page 2 of your 2014 Québec Income Tax Return. Also, enter code “09” “Deduction for exploration expenses incurred in Québec” on line 249, page 2 of your 2014 Québec Income Tax Return.

Box 62 and 63  
Québec exploration expenses, Québec surface mining and oil and gas exploration expenses
This amount represents your share of Québec exploration expenses, surface mining and oil and gas exploration expenses.

(i) For each of boxes 62 and 63 of the Relevé 15 slip there may be a corresponding item in box 66 below it. From each of the amounts in boxes 62 and 63 subtract the corresponding amount, if any, in item 62 or 63 of box 66. Report 10% or 25%, as the case may be, of the eligible amount relating to box 62 and 10% or 25%, as the case may be, of the eligible amount relating to box 63 of the Relevé 15 slip on line 287, page 3 of your 2014 Québec Income Tax Return. The Relevé 15 slip will indicate if the eligible amount is subject to the 10% or the 25% deduction.

(ii) Enter the corresponding number “04”, “Additional Deduction for Québec Resources” in box 286. If you are entitled to more than one type of deduction on line 287, enter the number “80” in box 286.

Box 64  
Exploration expenses incurred in northern Québec
This amount represents your share of exploration expenses incurred in northern Québec. Only corporations are entitled to an additional deduction with respect to exploration expenses incurred in northern Québec.
FILING INSTRUCTIONS FOR FORM RELEVÉ 15 (CONTINUED)

FOR QUÉBEC FILERS ONLY

L. Claiming a Deduction for Issue Costs (for dissolved partnerships only)

After the dissolution of the partnership, you are entitled to deduct your pro-rata share of the undeducted issue costs of the partnership on the same basis as such expenses would have been deducted by the partnership were it not dissolved. The enclosed “Issue Cost Amortization Schedule” summarizes the remaining deductions available to you. In each year, you should multiply the deduction per unit indicated for the respective year by the number of units you held in the partnership and enter the result on line 250 (or its equivalent), “Other deductions” of the 2014 Québec Income Tax Return. Enter the corresponding number “17”, “Other Deductions” in box 249. A copy of this schedule should be included with the income tax return for each year that this deduction is claimed.

PREPARATION INSTRUCTIONS FOR TAX SHELTER FORMS

M. Form T5004 – For All Investors

A statement of Tax Shelter Loss or Deduction (T5004) must be completed in order to claim deductions related to your Middlefield Resource Fund.

(i) Form T5004 requires the Tax Shelter Identification Number, which is located in the upper right hand corner of Form T5013.
(ii) The tax shelter name is whichever specific Middlefield Resource Fund you have invested in.
(iii) Purchase date is the date of purchase of your Middlefield investment(s).
(iv) In the column marked “Loss or Deduction Claimed”, enter the following amounts and indicate the corresponding line from your 2014 income tax return (enter each amount on a separate line):

<table>
<thead>
<tr>
<th>Amount of loss or deduction claimed</th>
<th>Line from 2014 income tax return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Net Partnership Loss</td>
<td>Line 122</td>
</tr>
<tr>
<td>2) Carrying Charges</td>
<td>Line 221</td>
</tr>
<tr>
<td>3) Exploration and Development Expenses</td>
<td>Line 224</td>
</tr>
</tbody>
</table>

Note that if you own more than one flow-through limited partnership or tax-sheltered investment, these amounts must be calculated individually and reported on Form T5004 for each partnership or investment. The amounts on the 2014 income tax return may be aggregated.
N. Form TP-1079.6-V – For Québec Filers Only

A statement of Losses, Deductions and Tax Credits Respecting a Tax Shelter (TP-1079.6-V) must be completed in order to claim deductions related to your Middlefield Resource Fund.

(i) Form TP-1079.6-V requires the Tax Shelter Identification Number, which is located in the top right box of Form Relevé 15.
(ii) The tax shelter name is whichever specific Middlefield Resource Fund you have invested in.
(iii) Purchase date is the date of purchase of your Middlefield investment(s).
(iv) In the column marked “loss, deduction or tax credit”, enter the following amounts and indicate the line from your 2014 Québec Income Tax Return (enter each amount on a separate line):

<table>
<thead>
<tr>
<th>Amount of loss or deduction claimed</th>
<th>Line from 2014 Québec Income Tax Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Business Loss</td>
<td>Line 164</td>
</tr>
<tr>
<td>2) Carrying Charges</td>
<td>Line 231</td>
</tr>
<tr>
<td>3) Deduction for Exploration and Development Expenses</td>
<td>Line 241</td>
</tr>
</tbody>
</table>

Note that if you own more than one flow-through limited partnership or tax-sheltered investment, these amounts must be calculated individually and reported on Form TP-1079.6-V for each partnership or investment. The amounts on the 2014 Québec Income Tax Return may be aggregated.

FILING OF TAX FORMS

O. For All Investors

File your completed 2014 income tax return along with the following:

(i) Schedules 1, 3 and 4.
(ii) Copy 2 of Form T5013. Copy 3 should be retained in your files.
(iii) Form T1229, Form T2038 and Form T5004.
(iv) Any provincial tax forms that were completed.

File the Issue Cost Amortization Schedule for Future Years (blue form) (for dissolved partnerships only) with your completed income tax returns for the relevant years.

Please retain a copy of all tax forms, including copy 3 of Form T5013, for your files.

P. For Québec Filers Only

File your completed 2014 Québec Income Tax Return along with the following:

(i) Schedules G, L and N.
(ii) Copy 2 of Form Relevé 15. Copy 3 should be retained in your files.
(iii) Form TP-1079.6-V.

Please retain a copy of all tax forms, including Copy 3 of Form Relevé 15, for your files.
EXHIBIT A: RELEVÉ 15 MEMO SUPPLEMENTARY – SUMMARY OF CANADIAN EXPLORATION EXPENSES

NAME: ____________________________________________________
SIN: ____________________________________________________

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<td><strong>Cumulative CEE</strong></td>
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</table>

TOTAL

Notes:

(1) See prior year tax return for carryforward balances.
(2) Carryforward to next year’s tax return.
Use this form to calculate your resource expenditure pools, exploration and development expense deduction, expenses renounced in respect of flow-through shares which qualify for investment tax credits and to claim your depletion allowance.

Attach your T101, T5013, and T5 slip(s) to the statement. If you do not have any of these slips, attach a statement that identifies you as a participant in the venture.

Attach a separate sheet of paper if you need additional space for Areas I, IV, or V. Attach a completed copy of this form to your T1 General Income Tax and Benefit Return.

### I. Summary of T101 and T5013 slips (Renounced Canadian Exploration and Development Expenses)

<table>
<thead>
<tr>
<th>Identification number (*)</th>
<th>Canadian exploration expense (CEE)</th>
<th>Canadian development expense (CDE)</th>
<th>Expenses qualifying for an ITC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Renunciation</td>
<td>Assistance</td>
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<tr>
<td></td>
<td>Renunciation</td>
<td>Assistance</td>
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<tr>
<td>Total</td>
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</tbody>
</table>

Portion of any reduction subject to an interest free period

Enter the total of the amounts reported in box 130 of your T101 or box 196 of your T5013 slips.

(*) Identification number on Form T101 – Statement of Resource Expenses or the partnership's filer identification number on Form T5013 – Statement of Partnership Income.

### II. Canadian resource expenditure pools

The amounts calculated in Area I above form part of your CCEE (Cumulative Canadian Exploration Expense) and CCDE (Cumulative Canadian Development Expense) pools, as the case may be. In most cases the CCOGPE (Cumulative Canadian Oil and Gas Property Expense) pool is relevant only if you have an opening balance.

Balance at the beginning of the year

Add: Total current year renunciation from Area I
Other resource expenses (T5013 slips: boxes 173 to 175 and 206)
Other (specify)

Deduct: Total assistance from Area I
Previous year's claim for federal investment tax credit
Provincial flow-through share tax credit received or entitled to receive Assistance (T5013 slips: boxes 179 to 181)
Other (specify)

Balance available
(If negative for CCEE or CCDE include the amount on line 130 or your return, a negative CCOGPE balance will first reduce your CCDE)

Rate
Maximum exploration and development expenses available for deduction (If negative enter zero)
Exploration and development expenses claimed
Enter the amount in (4) or a lesser amount

Balance at the end of the year

[A - B]

### III. Exploration and development expenses (see line 224 in the General Income Tax and Benefit Guide)

Canadian expenses claimed (sum of the claims in B above)
Foreign expenses claimed (attach a schedule that gives the details of the amount claimed)
Other expenses (e.g. Crown charges)
Resource allowance Resource profits \( \times \) Inclusion Rate \( \times \) 25% =

Total exploration and development expenses (enter on line 224 of your return)


### IV. Expenditures qualifying for an investment tax credit (see line 412 in the General Income Tax and Benefit Guide)

Expenditures qualifying for an investment tax credit from Area I
Deduct: Provincial flow through share tax credit received or entitled to receive
Eligible resource expenditures qualifying for an investment tax credit (enter on line 6717 of your Form T2038(IND))

### V. Depletion allowances (specify) (see line 232 in the General Income Tax and Benefit Guide)

(enter on line 232 of your return)
Claim for Tax Shelter Loss or Deduction

- Fill in this form if you are an investor claiming a loss or deduction, a donation or political contribution deduction, or a tax credit for an interest in a tax shelter. We may verify and adjust your claim.

- If you receive a T5003 slip (tax shelter), and a T5013 slip (partnership) or an official donation or political contribution slip for the same tax shelter, do not claim amounts more than once. Under the Income Tax Act, we can apply a penalty of 50% of the understated tax if you make a false claim knowingly or in circumstances amounting to gross negligence.

- Attach a completed copy of this form to your income tax and benefit return together with documents (a copy of your T5003 slip and the tax shelter’s statement of earnings, or a copy of your T5013 slip) to support the amount you are claiming as a loss or deduction, a donation or political contribution deduction, or a tax credit.

- You have to identify a tax shelter interest you bought after August 31, 1989, with a tax shelter identification number. You have to provide this number on your claim for any investment in the tax shelter you bought after that date.

- For more information on how to complete this form, call us at 1-800-959-3525.

<table>
<thead>
<tr>
<th>Investor’s name</th>
<th>Investor’s identification number</th>
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<tbody>
<tr>
<td>Investor’s address</td>
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</table>

<table>
<thead>
<tr>
<th>Tax shelter identification number*</th>
<th>Tax shelter’s name</th>
<th>Purchase date</th>
<th>Loss or deduction claimed</th>
<th>Line from T1 return**</th>
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<td>9 T S</td>
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</tbody>
</table>

Total amount claimed: 6765

Note

Use another form if you need more room to list your tax shelter losses or deductions. Enter the "Total amount claimed" on the last form only. That amount is the total of all losses or deductions you are claiming for the year.

* Income Tax Act paragraph 237.1(5)(c) –
"The identification number issued for this tax shelter shall be included in any income tax return filed by the investor. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter."

** Fill in the last column above to indicate the line where you are making your claim on an individual income tax and benefit return.

- If your claim is for a Gift, use line 349, and if your claim is for a Political contribution (monetary contribution), use line 409.
- If you are a Limited partner of a partnership that invested in a tax shelter, make your claim on line 122, Net partnership income: limited or non-active partners only.
- Otherwise, make your claim on the line that corresponds with the type of loss or deduction you are claiming. For example: line 126, Rental income; 141, Farming income; 217, Business investment loss; 224, Exploration and development expenses; 221, Carrying charges and interest expenses; 232, Other deductions

Privacy Act, personal information bank numbers CRA PPU 005 and CRA PPU 015 and CRA PPU 047

(Vous pouvez obtenir ce formulaire en français à www.arc.gc.ca/formulaires ou en composant le 1-800-959-7775.)
Tax Shelters

Generally, a tax shelter is:

- an investment in property (other than a flow-through share or a prescribed property); or
- a gifting arrangement under which a person entering into the arrangement:
  - makes a gift to a qualified donee or makes a monetary contribution to a registered party, a provincial division of a registered party, a registered association, or a candidate as those terms are defined in the Canada Elections Act; or
  - incurs a limited-recourse debt that can reasonably be considered to relate to a gift to a qualified donee or to a monetary contribution.

Generally, the investment in property or the gifting arrangement is a tax shelter if it is promoted as offering income tax savings and if it is reasonable to consider, based on statements or representations made or proposed to be made, that within the first four years of buying an investment in the property or entering into the gifting arrangement, the buyer or donor will have losses, deductions, or credits. Further, it has to be reasonable to consider that the losses, deduction, or credits would be equal to or more than the cost of the original investment or of the property acquired under the gifting arrangement, net of any prescribed benefits expected to be received or enjoyed, directly or indirectly, by the person or another person with whom the person does not deal at arm's length.

The tax shelter rules for gifting arrangements generally apply to gifts, monetary contributions, and representations made and property acquired under the gifting arrangement after February 18, 2003.

Under the Income Tax Act, a tax shelter promoter has to get an identification number from the Canada Revenue Agency before selling the tax shelter. The number does not indicate that we guarantee any investment, or authorize any resulting tax benefits. We use this number for administrative purposes only. If you own a tax shelter, you have to give its identification number when you file a tax return.

We recognize that legitimate tax shelters are established for valid business reasons. However, we are concerned that some promoters sell tax shelters mainly to help taxpayers avoid paying taxes.

Investors should be cautious when considering a tax shelter investment if they suspect that it has these features:

- a lack of business activity, or an activity with no reasonable expectation of profit;
- unreasonable or inflated expenses, or overvalued assets;
- limited-recourse financing, or financing arrangements that indefinitely defer an investor’s payment;
- losses for tax purposes will be more than the amount of the investment that is actually at risk; or
- the promoter or others are making verbal assurances of income tax consequences that are different from, or are not confirmed by, professional opinions contained in the investment documents.

Tax benefits resulting from a tax shelter for a genuine business or investment are acceptable if they are reasonable and all other requirements of the Income Tax Act have been met. However, a tax shelter established only for a tax benefit (e.g., to generate a tax refund) may be unacceptable, and we may apply the general anti-avoidance rule of the Income Tax Act to deny the benefit being sought.

To ensure fairness in the tax system and prevent abuses through aggressive tax shelter promotions, we review and audit tax shelters. When we review a tax shelter, we determine if the tax shelter leads to an abusive application of the rules by letting investors claim deductions or losses that are more than any amounts they will have to pay. If we suspect fraud, we investigate the actions of the parties involved.

For more information on tax shelters and the general anti-avoidance rule, see Information Circular 89-4, Tax Shelter Reporting, and Information Circular 88-2, General Anti-Avoidance Rule – Section 245 of the Income Tax Act. You can get these information circulars at www.cra.gc.ca/forms or by calling 1-800-959-5525.
Investment Tax Credit (Individuals)

--- General information ---

Use this form if:
- you earned an investment tax credit (ITC) during the current tax year;
- you are claiming a carryforward of ITC from a previous year;
- you have a recapture of ITC on a scientific research and experimental development (SR&ED) expenditure;
- you have a recapture of ITC on a child care space expenditure;
- you are requesting an ITC carryback;
- you are claiming a refund for an ITC earned during the current tax year.

You have to file this form no later than 12 months after the filing due date of your income tax return for the tax year in which you acquired the property or made the expenditure.

All legislative references are to the federal Income Tax Act (Act) and federal Income Tax Regulations (Regulations).

Investments or expenditures, described in subsection 127(9) of the Act that are eligible for an ITC are:
- qualified expenditures that are part of the SR&ED qualified expenditure pool, complete Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim;
- qualified property;
- qualified resource property;
- flow-through mining expenditures (also referred to as renounced Canadian exploration expenses);
- apprenticeship job creation expenditures;
- child care spaces expenditures.

--- Detailed information and definitions ---

Atlantic Investment Tax Credit

Atlantic Canada and Atlantic region
For the purposes of the Atlantic Investment Tax Credit, these expressions include the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulations 4609).

Gaspé Peninsula
For the purposes of the Atlantic Investment Tax Credit, this expression means that portion of the Gaspé region of the Province of Quebec that extends to the western border of Kamouraska County and includes the Magdalen Islands (prescribed in subsection 127(9) of the Act).

Qualified property
For the purposes of the Atlantic Investment Tax Credit, this term means a category of new assets acquired primarily for use in the Atlantic region that are mainly used for farming or fishing, logging, manufacturing and processing, storing grain, and harvesting peat. Qualified property includes new buildings, new machinery and new equipment (prescribed in Regulations 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulations 4610).

Property used mainly in Atlantic Canada for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer before March 29, 2012. Qualified property may also include new energy generation and conservation property (prescribed in Regulations 4600) if it was acquired by the taxpayer after March 28, 2012.

For more information, see the definition of qualified property in subsection 127(9) of the Act.

Specified percentages for qualified property
If you acquired the property after 1994 for use in the Atlantic region, the specified percentage is 10%.

Qualified resource property
For the purposes of the Atlantic Investment Tax Credit, this term means a category of new property acquired mainly for use in the Atlantic region and primarily used for oil and gas, and mining activities, if acquired by the taxpayer after March 28, 2012, and before January 1, 2016. Qualified resource property includes new buildings as well as new machinery and equipment (prescribed in Regulations 4600). For more information, see the definition of qualified resource property in subsection 127(9) of the Act.

Specified percentage for qualified resource property
If the qualified resource property was acquired:
- after 2013, and before 2016, the specified percentage is 5%.
- after 2015, the specified percentage is 0%.

Note
If qualified resource property is acquired after 2013 and before 2017 under a written agreement entered into before March 29, 2012, or as part of a phase of a project where the construction or the engineering and design work for the construction started before March 29, 2012, the investment qualifies for a transitional relief rate of 10%.

For more information on the Atlantic Investment Tax Credit, go to www.cra.gc.ca/itc and choose the Atlantic investment tax credit link from the list of Related topics at the bottom of the webpage.
--- Definitions and detailed information (continued) ---

Scientific research and experimental development (SR&ED)

Qualified expenditures that are part of the SR&ED qualified expenditure pool

To be a qualified expenditure, the amount has to be for SR&ED carried on in Canada. SR&ED expenditures in Canada include 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), the airspace, seabed, and subsoil of that zone.

Qualified expenditures can include an amount incurred in the year in respect of SR&ED carried on by you, or on your behalf, that relate to your business and is:

- a current expenditure on SR&ED;
- 80% of an expenditure in respect of an SR&ED contract or a third-party payment for SR&ED; or
- an expenditure for depreciable property used by the taxpayer, that is first term and second term shared-use-equipment, primarily for SR&ED in Canada before February 2, 2017. Excludes prescribed depreciable property that is shared-use-equipment acquired by a taxpayer before 2014 to be used for one or two operating periods, primarily for SR&ED in Canada. See subsections 127(9) and 37(1) of the Act and Regulations 2900(11).

ITC rate for a qualified expenditure

- For a qualified SR&ED expenditure incurred during 2013, the rate is 20%. You must fill in a 2013 version of Form T2038(IND) for this claim.
- For a qualified SR&ED expenditure incurred after 2013, the rate is 15%.

Note

If you are claiming an ITC for a qualified SR&ED expenditure, or you are reporting an ITC recapture for an ITC previously claimed on an expenditure for SR&ED, file Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim, with your income tax return. Do not file Form T661 if you are claiming a credit for contributions made to agricultural organizations, or a credit based on a credit allocated to you by a partnership on a T5013 slip, Statement of Partnership Income.

Partnership allocations

An ITC earned by a partnership is usually allocated to a partner. However, an ITC earned on qualified SR&ED expenditures may not be allocated to a specified partner of a partnership. If you received an allocation of ITC from a partnership, enter this allocated credit on line 6725 in Part A. For more information, see subsection 127(8) of the Act.

Contributions made to agricultural organizations for SR&ED

Agricultural producers can access ITCs earned on contributions made to agricultural organizations that fund SR&ED. Enter the amount on line 6715 in Part A. The rate is 15%.

Information on SR&ED

For more information on SR&ED and legislative or interpretative changes, see the following:

- Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661; or
- Go to www.cra.gc.ca/srped.

Mineral exploration tax credit (METC)

Certain renounced Canadian exploration expenses qualify for the ITC. For Canadian exploration expenses renounced by a corporation to an individual (or a partnership of which the individual is a member) and reported in box 128 of a T101, Statement of Resource Expenses slip or in box 194 of a T5013, Statement of Partnership Income slip, the specified percentage is 15%. You must subtract the amount of any allowable provincial tax credit. The renunciation must be under a flow-through share (FTS) agreement entered into after March 2014 and before April 1, 2015 with FTS financing for mineral exploration (which excludes coal deposits, tar sands, oil and gas).

Apprenticeship job creation tax credit (AJCTC)

A percentage of eligible salary and wages payable to an employee registered in a prescribed trade in Canada in the first 24 months of their eligible apprenticeship contracts registered in Canada, qualifies for a credit for the employer. The available credit for each eligible apprentice is 10% of the lesser of $20,000 and eligible salary and wages payable in the year (net of any government or non-government assistance), in respect of employment after May 1, 2008. The total of these amounts for all apprentices is the available non-refundable tax credit. Any unused credit may be carried back 3 years or carried forward 20 years.

ITC for Child care spaces

Employers that create child care spaces in a licensed child care facility for the benefit of children of the taxpayer's employees, or of a combination of children of the taxpayer's employees and other children, will qualify for a non-refundable ITC equal to 25% of eligible child care space expenditures incurred after March 18, 2007, to a maximum ITC amount of $10,000 per child care space created. The amount of the credit can be used to reduce the federal income tax payable for the year. Unused amounts can be carried back 3 years or forward 20 years.
How to calculate and claim your ITC

The ITC is based on a percentage of the investment cost (the cost of the property you bought or the expenditures you made). If you received, are entitled to receive, or can reasonably expect to receive any reimbursement, inducement, or government or non-government assistance (including grants, subsidies, forgivable loans, or deductions from tax and investment allowances) that can reasonably be considered to relate to the property or expenditure, you have to decrease your investment cost by the amount you received, are entitled to receive, or can reasonably expect to receive. If you repay any of this assistance, add the repayment to the investment cost. Calculate the ITC for any repayment using the same percentage you used for the original investment cost.

Determine your ITC at the end of 2014. If the fiscal year-end of your business is in 2014, include any ITC you earn on the property you buy during the calendar year. Investments and expenditures are eligible for an ITC only when the income from the related business is subject to Part I of the Income Tax Act.

Properties acquired are eligible for an ITC claim only when the properties are considered to be available for use. For an explanation of available for use, see any of the following guides: Guide T4002, Business and Professional Income, Guide T4003, Farming Income, Guide RC4060, Farming Income and the AgriStability and AgrinInvest Programs, Guide RC4408, Farming Income and the AgriStability and AgrinInvest Programs Harmonized Guide, or Guide T4004, Fishing Income.

You can use the ITC that you earn in 2014 to reduce your federal tax for a previous year, for the 2014 tax year or for a future year. Any unused ITC credits may be refunded.

Current-year claim:
To calculate your ITC to reduce your federal income tax for 2014 complete parts A to D of this form. Enter the amount of your credit on line 412 of Schedule 1 of your income tax return. If a partnership or trust made the investments, enter only your share of the credit on line 6725 in Part A.

Carryback to previous years:
You can carry back the ITC you earn in 2014 for up to three years and use it to reduce your federal tax in those years by completing Part E of this form. If you are a trust and were subject to a loss restriction event, special rules may apply to limit the ITC carryback.

Carryforward to future years:
You can carry forward unused ITCs earned in tax years that end after 1997 for up to 20 years (see Part D to calculate your claim). For information on loss restriction events, see subsection 251.2(2) of the Act.

Refund of ITC:
If you do not use all of your ITC to reduce your taxes in the year or in the three previous years, we may refund up to 40% of your unused credit to you. You can only claim this refund in the year you buy property or make an expenditure that qualifies for the credit, unless the available for use rules (or other rules deeming the expenditure to have been made in a later year) apply. To claim a refund of ITC, complete Part E of this form. Enter your refund amount on line 454 of your income tax return. If a partnership or trust made the investments, enter only your share of the amount.

Adjustments:
The credit you claim or that we refund to you for 2014 reduces the capital cost of the property. Any 2014 credit you carry back to a previous year will also reduce the capital cost of the property. Make this adjustment in 2015. This adjustment reduces the capital cost allowance you can claim for the property. It also affects your capital gain when you dispose of the property. You might have claimed a credit or received a refund for 2014 for a property that you already disposed of. In addition, you might still have other property in the same class. If so, reduce the undepreciated capital cost of the class for 2015 by the amount of the credit you claimed or received as a refund. If, after the disposition, you do not have any property left in the same class, include in your 2015 income the amount of the credit you claimed or received as a refund. Enter the amount as other income on line 9600 if you are filing: Form T2042, T1163, T1164, T1273, or T1274. Enter the amount on line 8230 if you are filing Form T2125.

A credit deducted or refunded for SR&ED will reduce the pool of deductible SR&ED expenditures, the adjusted cost base (ACB) of an interest in a partnership, and the ACB of a capital interest in a trust in the next tax year.

For more information on ITCs and their recapture, go to www.cra.gc.ca, or see Interpretation Bulletin IT411R, Meaning of “Construction”, Information Circular IC78-4R3, Investment Tax Credit Rates, and its Special Release.
Part A – Calculating the current year refundable ITC

ITC for total qualified expenditures for SR&ED, exclude amounts from lines 6715 and 6725 6712 \( \times 0.15 \) = 1

Total contributions made to agricultural organizations for SR&ED 6715 \( \times 0.15 \) = 2

ITC allocated from a partnership for SR&ED (see boxes 186, 187 and 189 of the T5013 slips) 6725 = 3

ITC for total investments in qualified property and qualified resource property eligible for the transitional relief rate 6714 \( \times 0.10 \) = 4

ITC for total investments in qualified resource property not eligible for the transitional relief rate 6723 \( \times 0.05 \) = 5

Total current-year refundable credits (add amounts 1 to 5)
Enter amount A in column 2 in Part F = A

Part B – Calculating the current year non-refundable ITC

Mineral exploration tax credit (METC)
Total of your flow-through mining expenditures (also referred to as renounced Canadian exploration expenses) from box 128 of the T101 slip or box 194 of the T5013 slip 6717 \( \times 0.15 \) = B

* This amount must be reduced by any allowable provincial tax credits. This credit will reduce your Canadian exploration expense pool in the year following the year in which you claim the credit.

Apprenticeship job creation tax credit (AJCTC)
If your apprentice works for you and also works for a related employer as defined under subsection 251(2) of the Act, all related employers have to agree in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number, social insurance number (SIN), or name appears below.

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory of Canada, under an apprenticeship program designed to certify or license individuals in the trade. If there is no contract number, enter the SIN or the name of the eligible apprentice. Then, enter the name of the eligible trade and the eligible salary and wages** payable in the year in respect of employment after May 1, 2006. The credit is 10% of the total of the amounts in Table 1, column 3. Attach a note if more space is required.

<table>
<thead>
<tr>
<th>1 Contract number (SIN or name of apprentice)</th>
<th>2 Name of eligible trade</th>
<th>3 Eligible salary and wages** payable in the year, or $20,000, whichever is less</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>** Total apprenticeship job creation tax credit (Total of amounts in column 3) 6718 ( \times 0.10 ) = C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** Net of any government or non-government assistance received or to be received in respect of eligible salary and wages.

Investment tax credit for child care spaces
Eligible child care spaces expenditure include the cost of depreciable property, and the amount of specified child care start-up expenditures acquired or incurred solely for the purpose of the creation of the new child care spaces at a licensed child care facility.

Total amount of current year expenditures \( \text{1} \) = 1

Total number of child care spaces \( \times \$40,000 \text{ = 2} \)

Investment tax credit for child care spaces
Enter the lesser of amounts 1 and 2 \( \text{6719} \times 0.25 \text{ = D} \)

Total current-year non-refundable tax credits (add amounts B, C and D)
Enter amount E in column 3 in Part F = E
## Part C – Recapture

### Recapture – ITC on SR&ED expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of expenditure on which ITC is recaptured at 15%.</td>
<td>$O \times 0.15 = $1</td>
</tr>
<tr>
<td>Amount of expenditure on which ITC is recaptured at 20%.</td>
<td>$O \times 0.20 = $2</td>
</tr>
<tr>
<td><strong>Total recapture of investment tax credit on SR&amp;ED expenditures</strong> (add amounts 1 and 2)</td>
<td>$O = $3</td>
</tr>
</tbody>
</table>

### Recapture – ITC for child care spaces

If, at any time within 60 months of the day that you create a new child care space, that space is no longer available, or if the property acquired for a child care space is leased for any purpose or converted to another use, we will recover the ITC for that space or property.

- If **only** child care spaces are disposed of, enter the amount originally claimed for those child care spaces: $O = $4
- If property **other than** child care spaces is disposed of, the amount will be the **lesser** of:
  - The amount originally claimed for ITC for the property disposed of: $O = $5
  - 25% of the proceeds of disposition of the eligible property (or 25% of fair market value if disposed of to a non-arm's length party): $O = $6

Enter the lesser of amounts 5 and 6: $O = $7

**Total recapture of investment tax credit for child care spaces** (add amounts 4 and 7): $O = $8

**Total recaptured credits** (add amount 3 and line 6730): $O = $O

### Part D

#### Calculating an allowable claim

Enter the total credit available from column 5 in Part F of this form: $O = $F

<table>
<thead>
<tr>
<th>Description</th>
<th>Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal tax (amount from line 406 of Schedule 1 of your income tax return)</td>
<td>$O = $1</td>
</tr>
<tr>
<td>Minus the federal political contribution tax credit (amount from line 410 of Schedule 1 of your income tax return)</td>
<td>$O = $2</td>
</tr>
<tr>
<td><strong>Subtotal</strong> (amount 1 minus amount 2)</td>
<td>$O = $3</td>
</tr>
<tr>
<td>Minus the labour-sponsored funds tax credit (amount from line 414 of Schedule 1 of your income tax return)</td>
<td>$O = $4</td>
</tr>
<tr>
<td><strong>Subtotal</strong> (amount 3 minus amount 4)</td>
<td>$O = $5</td>
</tr>
</tbody>
</table>

Enter your claim on this line

You can claim an ITC amount up to, but not more than, amounts F or G, whichever is less: $O = $H

If you do not have to complete Form T691, *Alternative Minimum Tax* (see your guide for information), or if the amount you calculate on line 95 of Form T681 is "0", enter amount H on line 412 of Schedule 1 of your income tax return, or on line 37 of T3 Schedule 11.

If *Alternative Minimum Tax (AMT)* does not apply, enter amount H in column 6 in Part F of this form.

Otherwise, complete the following section to determine your ITC claim and enter "0" in column 6 in Part F of this form.

#### Calculating an allowable claim if alternative minimum tax (AMT) applies

If you completed form T691, *Alternative Minimum Tax*, and calculated an amount greater than "0" on line 95, you must complete this section.

<table>
<thead>
<tr>
<th>Description</th>
<th>Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter amount G</td>
<td>$O = $5</td>
</tr>
<tr>
<td>Plus the federal foreign tax credit (amount from line 405 of Schedule 1 of your income tax return)</td>
<td>$O = $6</td>
</tr>
<tr>
<td><strong>Subtotal</strong> (add amounts 5 and 6)</td>
<td>$O = $7</td>
</tr>
<tr>
<td>Minus the minimum amount from line 58 of Form T691</td>
<td>$O = $8</td>
</tr>
<tr>
<td><strong>Subtotal</strong> (amount 7 minus amount 8, if negative, enter &quot;0&quot;)</td>
<td>$O = $I</td>
</tr>
</tbody>
</table>

Enter your claim on this line

You can claim an ITC amount up to, but not more than, amounts F or I, whichever is less: $O = $J

Enter amount J on line 412 of Schedule 1 of your income tax return, or on line 37 of T3 Schedule 11.

**Also** enter amount J in column 7 in Part F of this form.
Part E – Calculating a carryback and refund of ITC

---

**ITC available for carryback**

Complete this section to determine the balance of credit available for carryback to previous tax years.

Total current-year credit available (column 5 minus column 1 in Part F) ..................................................... 1

Minus the current year credit applicable*  
The maximum amounts you could have claimed in column 6, plus column 7, minus column 1 in Part F (if negative enter "0") ..................................................... 2

Total credit available for carryback (amount 1 minus amount 2) .......................................................... K

* To arrive at the amount for carryback, you first have to apply your credit to the fullest extent in the current year, whether you claimed all of it or not. Before determining the amount available to carry back, you first have to reduce your federal tax for the current year by the maximum amounts you could have claimed in columns 6 and 7 in Part F of this form, whether you claimed the maximum or not.

**Calculating a carryback and refund of ITC**

Complete this section to request a carryback of the ITC you earned in the current tax year. The carryback provisions allow you to apply a current-year credit against the total of your federal tax for any of the three previous tax years. The credit you apply to a previous year cannot be more than the total of your federal tax for that year.

You have to deduct any amount of the refundable ITC designated as a carryback when you calculate your ITC refund and the balance to carry forward to tax years that follow.

To request a carryback, complete this section, and attach this form to your current-year income tax return.

*Note*  
We do not refund an amount you designate as a carryback in the current year. Do not enter the amount on your income tax return.

Amount K to carryback for one or more of the following:

- Third previous year ................................................................. 6720 ........................................
- Second previous year ............................................................... 6721 ........................................
- First previous year ................................................................. 6722 ........................................

Total credit designated for carryback (add lines 6720, 6721 and 6722. Must be equal to, or less than amount K) Enter the total of amounts L and N in column 8 in Part F ................................................................. L

Signature ..................................................................................

Date: Year, Month, Day (yyyyymmdd) ...........................................

---

**ITC available for refund**

Complete this section to determine the balance of credit available for refund.

Total current-year refundable credit available (column 2 minus column 4 in Part F) ................................................................. 3

Current year credit claim (column 6, plus column 7, minus column 1 in Part F) ..................................................... 4

Plus amount L ......................................................................... 5

Subtotal (add amounts 4 and 5) ................................................................. 6

Minus amount from column 3 in Part F ................................................................. 7

Total (amount 6 minus amount 7, if negative, enter "0") ................................................................. 8

Total credit available for refund (amount 3 minus amount 8) ................................................................. M

**Calculating an ITC refund**

Complete this section to calculate a refund of ITC that you earned in the current year. You must deduct any amounts you claim as a refund when you calculate the balance to carry forward to tax years that follow.

Amount you designate as a refund of ITC (cannot be more than amount M) ..................................................... 9

Multiply by the refundable rate .......................................................................................................................... 0.40 10

Refund of ITC (multiply amount 9 by amount 10) Enter the total of amounts L and N in column 8 in Part F (must be equal to, or less than amount K) ................................................................. N

Enter amount N on line 454 of your income tax return or on line 88 of a T3RET, T3 Trust Income Tax and Information Return.

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**Part F – Carryforward chart**

<table>
<thead>
<tr>
<th>Balance of credits carried forward from previous years</th>
<th>Current-year refundable credit (amount A in Part A)</th>
<th>Current-year non-refundable credit (amount E in Part B)</th>
<th>Adjustments**</th>
<th>Total credit available (column 1 plus column 2 plus column 3 minus column 4)</th>
<th>Current-year credit claim (amount H in Part D)</th>
<th>Current-year credit claim (AMT) (amount J in Part D)</th>
<th>Credit claim – other (amounts L plus N in Part E)</th>
<th>Balance carried forward (column 5 minus columns 6, 7 and 8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

** For testamentary trusts, enter the amount of ITC allocated to beneficiaries from box 40 of T3 slip.

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Personal information, including the social insurance number, is collected under the Income Tax Act to assess individual income tax for the federal government and the provinces and territories. It can be used for audit, compliance, or evaluation purposes and shared or verified with other federal and provincial/territorial government institutions. Failure to provide the information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right to and shall, on request, be given access to their personal information and to request correction of it; refer to InfoSource (www.infosource.gc.ca), personal information bank CRX PPU 005.
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