

WCSB

ROYALTY INCOME INVESTMENTS

Tax Filing Guide 2010



Tax filing guide for the 2010 taxation year.

TABLE OF CONTENTS

GETTING STARTED	>> page 1
STEPS 1 - 4	>> page 2
OTHER TAX CONSIDERATIONS	>> page 8
FREQUENTLY ASKED QUESTIONS	>> page 9
KEEP IN TOUCH	>> page 10

Message to Investors



**Flip open cover to view
a full page sample
T5103A Tax Slip**

Dear WCSB Investor:

This tax filing guide has been provided to assist you in claiming your 2010 tax deductions from your investment in WCSB Royalty Income Limited Partnerships ("WCSB"). The figures from your T5013A – Statement of Partnership Income for Tax Shelters and Renounced Resource Expenses, should be inserted in the appropriate sections of your 2010 income tax return and related schedules. Forms referred to in this booklet (T1 General Return, Schedule 3, Schedule 4, T1229, T5004, etc.) are available for download through the Canada Revenue Agency (CRA) website at www.cra-arc.gc.ca or our website www.wcsb.ca.

This guide is not meant to be considered as tax advice. WCSB strongly recommends you consult with your professional tax and/or investment advisor to determine the appropriate use of tax deductions and other tax considerations.

We trust this information will assist you in filing your 2010 tax return along with providing an understanding of the tax benefits associated with your investment in WCSB.

Sincerely,

Shane Doyle, CEO & Director

WCSB Royalty Income Investments



ÉTAT DES REVENUS D'UNE SOCIÉTÉ DE PERSONNES POUR LES ABRIS FISCAUX ET LES FRAIS DE RESSOURCES AYANT FAIT L'OBJET D'UNE RENONCIATION

Identification

01 Fiscal period end / Exercice se terminant le Y - A M	02 Partnership's Business Number Numéro d'entreprise de la société de personnes	03 Tax shelter identification number T S	04 Is this a publicly traded partnership? S'agit-il d'une société de personnes cotée à la bourse?	05 Type of slip Genre de feuillet
06 Partnership code Code du genre de société de personnes	07 Country code Code du pays	08 Member code Code de l'associé	09 Number of partnership units held Nombre d'unités détenues de la société de personnes	10 Partner's share (%) of partnership income (loss) Part (%) de l'associé dans les revenus (pertes) de la société de personnes
Partner's name and address – Nom et adresse de l'associé				
11 Recipient's identification number – Numéro d'identification du bénéficiaire				
12 Complex sharing arrangements – Part des revenus ne pouvant pas être exprimée				
Partnership's name and address – Raison sociale et adresse de la société de personnes				

Renounced Canadian exploration and development expenses – Frais d'exploration et d'aménagement au Canada ayant fait l'objet d'une renonciation

120 Renounced Canadian exploration expenses Frais renoncés d'exploration au Canada	121 Renounced Canadian development expenses Frais renoncés d'aménagement au Canada	124 Assistance for Canadian exploration expenses Montant d'aide pour frais d'exploration au Canada	125 Assistance for Canadian development expenses Montant d'aide pour frais d'aménagement au Canada	130 Portion subject to an interest-free period – CEE Partie donnant lieu à une période sans intérêt – FEC	128 Expenses qualifying for an ITC Frais admissibles aux crédits du CII	129 Portion subject to an interest-free period – ITC Partie donnant lieu à une période sans intérêt – CII
Box / Case 141 BC	Box / Case 143 SK	Box / Case 144 MB	Box / Case 145 ON	Box / Case	Box / Case	Box / Case
Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails

Tax shelter information – Renseignements sur l'abri fiscal

150 Number of units acquired Nombre d'unités acquises	151 Cost per unit Coût par unité	152 Total cost of units Coût total des unités	153 Limited-recourse amounts Montant à recours limité	154 At-risk adjustment Montant de rajustement à risque	155 Other indirect reductions Autres réductions indirectes	Box / Case
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."						Loi de l'impôt sur le revenu alinéa 237.1(5)c) – « Le numéro d'inscription attribué à cet abri fiscal doit figurer dans toute déclaration d'impôt sur le revenu produite par l'investisseur. L'attribution de ce numéro n'est qu'une formalité administrative et ne confirme aucunement le droit de l'investisseur aux avantages fiscaux découlant de cet abri fiscal. »

Limited partnership net income (loss) – Revenu net (perte nette) du commanditaire

20 Limited partnership farming income (loss) Revenu (perte) d'agriculture du commanditaire	20-1 Agricultural income stabilization Stabilisation du revenu agricole	21 Limited partnership fishing income (loss) Revenu (perte) de pêche du commanditaire	22 Limited partnership business income (loss) Revenu (perte) d'entreprise du commanditaire	22-1 Limited partner's at-risk amount Fraction à risque de la participation du commanditaire	22-2 Limited partner's adjusted at-risk amount Fraction à risque rajustée de la participation du commanditaire	23 Limited partnership rental income (loss) Revenu (perte) de location du commanditaire
24 Limited partnership loss available for carryforward Perte comme commanditaire disponible à reporter	25 Previous loss carryforward eligible in the current year Pertes d'années antérieures admissibles pour l'année courante	27 Return of capital Remboursement de capital	Box / Case	Box / Case	Box / Case	Box / Case
Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails

Canadian and foreign net business income (loss) – Revenu net (perte nette) d'entreprise canadien et étranger

35 Business income (loss) Revenu (perte) d'entreprise	37 Professional income (loss) Revenu (perte) de profession libérale	41 Farming income (loss) Revenu (perte) d'agriculture	43 Fishing income (loss) Revenu (perte) de pêche	30 Other income Autre revenu	34 Partnership's total gross income Revenu brut total de la société de personnes
--	--	--	---	---------------------------------	---

Canadian and foreign investments and carrying charges – Investissements canadiens et étrangers et frais financiers

26 Canadian and foreign net rental income (loss) Revenu net (perte nette) de location canadien et étranger	51 Actual amount of dividends (other than eligible dividends) Montant réel des dividendes (autres que des dividendes déterminés)	51-1 Taxable amount of dividends (other than eligible dividends) Montant imposable des dividendes (autres que des dividendes déterminés)	51-2 Dividend tax credit for dividends (other than eligible dividends) Crédit d'impôt pour dividendes (autres que des dividendes déterminés)	52 Actual amount of eligible dividends Montant réel des dividendes déterminés	52-1 Taxable amount of eligible dividends Montant imposable des dividendes déterminés	52-2 Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés
50 Interest from Canadian sources Intérêts de source canadienne	55 Foreign dividend and interest income Revenu étranger en dividendes et en intérêts	56 Business investment loss Perte au titre d'un placement d'entreprise	59 Carrying charges Frais financiers	Box / Case	Box / Case	Box / Case
Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails

Other amounts and information – Montants et renseignements additionnels

70 Capital gains (losses) Gains (pertes) en capital	71 Capital gains reserve Provision relative aux gains en capital	85 Capital cost allowance Déduction pour amortissement	Box / Case	Box / Case	Box / Case	Box / Case
Box / Case	Box / Case	Box / Case	Box / Case	Box / Case	Box / Case	Box / Case
Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails	Amount / Détails Montant / Détails

Getting Started

T5013A Tax Slip

Your personal Form T5013A – 'Statement of Partnership Income for Tax Shelters and Renounced Resource Expenses' will be sent directly to you from your investment dealers back office on or before March 31st, 2011. The same procedure is followed in each subsequent year.

Below is a sample T5013A for your review. Your personal T5013A, received from your investment advisor, will have the appropriate figures inserted in the applicable boxes.

The amounts on your T5013A that are used to calculate your deduction and that are covered in this guide are as follows:

KEY BOXES

BOX 22

Limited Partnership business income (loss)

BOX 120

Renounced Canadian exploration expenses

BOX 121

Renounced Canadian development expenses

There may be other boxes on your T5013A that contain information but do not have to be entered on your tax return. Boxes 22-1, 159, 151, 152 and 153 are for CRA information only.

>> NOTE

If you have multiple investments you will receive a T5013A for each limited partnership you own. In some cases, you will need to sum the amounts from your T5013A's before inserting them into the appropriate place on the tax schedule. If you are using a software program, each T5013A should be entered separately.

Step 1 of four

BOX 22 Limited Partnership Business Income (loss)

The amount in Box 22 of your T5013A represents your share of the Limited Partnership business income (loss).

Please note that the income (loss) that is reported on your personal T1 tax return may be different from the income (loss) shown in the financial statements, as exploration and development expenses are deducted differently for tax purposes in comparison to accounting purposes.

>> NOTE

Did you to borrow to buy WCSB?

If you borrowed any amounts to acquire your limited partnership units and/or other investments, the amount of interest expense you incurred in the year may be deductible. Include all deductible interest in Section IV “Carrying Charges & Interest Expenses” of Schedule 4 and insert this total into Line 221 on page 3 of your T1 tax return. If you are unsure whether the interest you incurred is deductible, consult your investment or tax advisor.

Box 22 continued...

Step (i) Start by taking the amount found in Box 22 amount of your T5013A and placing it in Section III, line 122 of Schedule 4.

Step (ii) Next add all the amounts in Section III on line 122 and insert the total onto line 122 on page 2 of your T1 tax return.

Limited partnership net income (loss) – Revenu net (perte nette) du commanditaire						
20 Limited partnership farming income (loss) Revenu (perte) d'agriculture du commanditaire	20-1 Agricultural income stabilization Stabilisation du revenu agricole	21 Limited partnership fishing income (loss) Revenu (perte) de pêche du commanditaire	22 Limited partnership business income (loss) Revenu (perte) d'entreprise du commanditaire	22-1 Limited partner's at-risk amount Fraction à risque de la participation du commanditaire	22-2 Limited partner's adjusted at-risk amount Fraction à risque rajustée de la participation du commanditaire	23 Limited partnership rental income (loss) Revenu (perte) de location du commanditaire
24 Limited partnership loss available for carryforward Perte comme commanditaire disponible à reporter	25 Previous loss carryforward eligible in the current year Pertes d'années antérieures admissibles pour l'année courante	27 Return of capital Remboursement de capital	Box / Case Amount / Details Montant / Détails	Box / Case Amount / Details Montant / Détails	Box / Case Amount / Details Montant / Détails	Box / Case Amount / Details Montant / Détails



T1-2010 Statement of Investment Income Schedule 4

State the names of the payers below and attach any information slips you received. Attach a separate sheet of paper if you need more space. Attach a copy of this schedule to your return.

I - Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see line 120 in the guide)

Taxable amount of dividends other than eligible dividends (specify):

1	2	3
180	+	3
180	+	3
183	+	6
183	+	6
189	+	12
189	+	12

Enter this amount on line 120 of your return.

II - Interest and other investment income (see line 121 in the guide)

Specify:

Income from foreign sources:

Enter this amount on line 121 of your return.

III - Net partnership income (loss) (see line 122 in the guide)

Enter this amount on line 122 of your return.

2

The guide contains valuable information to help you complete your return. When you come to a line on the return that applies to you, look up the line number in the guide for more information.

Please answer the following question:

Did you own or hold foreign property at any time in 2010 with a total cost of more than CAN\$100,000? (see the "Foreign Income" section in the guide for details) Yes No

If yes, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2010, see the "Foreign Income" section in the guide.

As a Canadian resident, you have to report your income from all sources both inside and outside Canada.

Total income

Employment income (box 14 on all T4 slips)	101
Commissions included on line 101 (box 42 on all T4 slips)	102
Other employment income	104 +
Old Age Security pension (box 18 on the T4A(OAS) slip)	113
CPP or QPP benefits (box 20 on the T4A(P) slip)	114 +
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152
Other pensions or superannuation	115 +
Indexed split-pension amount (see the guide and attach Form T1032)	116 +
Universal Child Care Benefit (UCCB) (see the guide)	117 +
UCCB amount designated to dependent	185
Employment Insurance and other benefits (box 14 on the T4E slip)	119 +
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and attach Schedule 4)	120 +
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180
Interest and other investment income (attach Schedule 4)	121 +
Net partnership income, limited or non-active partners only (attach Schedule 4)	122 +
Registered disability savings plan income (see the guide)	125 +
Rental income Gross 160	Net 126 +
Taxable capital gains (attach Schedule 3)	127 +
Support payments received Total 156	Taxable amount 128 +
RRSP income from all T4(ESP) slips	129 +
Other income Specify: 130	130 +
Self-employment income (see lines 135 to 143 in the guide)	
Business income Gross 162	Net 135 +
Professional income Gross 164	Net 137 +
Commission income Gross 166	Net 139 +
Farming income Gross 168	Net 141 +
Fishing income Gross 170	Net 143 +
Workers' compensation benefits (box 10 on the T5007 slip)	144
Social assistance payments	145 +
Net federal supplements (box 21 on the T4A(OAS) slip)	146 +
Add lines 144, 145, and 146 (see line 250 in the guide)	147 +
Add lines 101, 104 to 143, and 147. This is your total income.	150

T1 Schedule 4, page 1

T1 Schedule 4, page 2

Step 2 & 3 of four

BOX 120 & BOX 121 Renounced Canadian resource expenses

The amount in Box 120 and Box 121 of your Form T5013A represents the Canadian Exploration Expense ("CEE") and the Canadian Development Expense ("CDE") renounced by the resource companies and passed on to you, the investor. Please see Notes for Steps 2 & 3 found on page 7 with respect to Carry Forwards and Multiple Investments, if applicable to you.

The CEE and CDE amount flows to your T1 tax return via the Form T1229, Statement of Resource Expenses and Depletion Allowance. The first three sections of the T1229 are used.

T1229 AREA I - SUMMARY OF T101 AND T5013A EXPENSES

- Step (i)** Start by entering the Partnership's Business Number from box 2 of your T5013A into the Identification Number box in Area 1 of your T1229.
- Step (ii)** Enter the Renounced Canadian Expense (CEE) from box 120 of your T5013A into the CEE Renunciation column in Area 1 of your T1229.
- Step (iii)** Enter the Renounced Canadian Expense (CEE) from box 120 of your T5013A into the CEE Renunciation column in Area 1 of your T1229.

T1229 AREA II - CANADIAN RESOURCE EXPENDITURE POOLS

- Step (iv)** Enter any balances(s) at the beginning of the year.
- Step (v)** Add Total Year Renunciation from Area 1.
- Step (vi)** Calculate subtotals (2 & 3) and Balance Available (A) as indicated.
- Step (vii)** Calculate Maximum Exploration and Development Expenses Available for Deduction (4) using the appropriate rates as indicated, CCEE - 100% and CCDE - 85%.
- Step (viii)** Calculate Exploration and Development Expenses Claimed in the Year (B) and Balance at End of Year (A-B).

T1229 AREA III- EXPLORATION AND DEVELOPMENT EXPENSES

- Step (ix)** Enter the Total Exploration and Development Expenses Claimed sum (or claims in B above).

>> NEED A T1229?

A T1229 must be included with your T1 Tax Return and is available for download through the Canada Revenue Agency (CRA) website www.cra-arc.gc.ca or our website www.wcsb.ca

Box 120 & 121 continued...

Identification

01 Fiscal period end / Exercice se terminant le: Y - A M

02 Partnership's Business Number: Numéro d'entreprise de la société de personnes

03 Tax shelter identification number: Numéro d'inscription de l'abri fiscal

04 Is this a publicly traded partnership? S'agit-il d'une société de personnes cotée à la bourse?

05 Type of slip: Genre de feuillet

06 Partnership code: Code du genre de société de personnes

07 Country code: Code du pays

08 Member code: Code de l'associé

09 Number of partnership units held: Nombre d'unités détenues de la société de personnes

10 Partner's share (% of partnership income (loss)): Part (%) de l'associé dans les revenus (pertes) de la société de personnes

11 Recipient's identification number - Numéro d'identification du bénéficiaire

12 Complex sharing arrangements - Part des revenus ne pouvant pas être exprimée

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

Partnership's name and address - Raison sociale et adresse de la société de personnes

Renounced Canadian exploration and development expenses - Frais d'exploration et d'aménagement au Canada ayant fait l'objet d'une renonciation

120 Renounced Canadian exploration expenses: Frais renoncés d'exploration au Canada

121 Renounced Canadian development expenses: Frais renoncés d'aménagement au Canada

124 Assistance for Canadian exploration expenses: Montant d'aide pour frais d'exploration au Canada

125 Assistance for Canadian development expenses: Montant d'aide pour frais d'aménagement au Canada

130 Portion subject to an interest-free period - CEE: Partie donnant lieu à une période sans intérêt - FEC

126 Expenses qualifying for an ITC: Frais admissibles aux fins du CII

129 Portion subject to an interest-free period - ITC: Partie donnant lieu à une période sans intérêt - CII

Sample T5013A

STATEMENT OF RESOURCE EXPENSES AND DEPLETION ALLOWANCE

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 T121, T5013A and T5 slips to the statement. If you do not have any of these slips, attach a statement that identifies you as a participant in the well.

Attach 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 T121 and T5013A slips (Renounced Canadian Exploration and Development Expenses)

Identification number (1)	Canadian exploration expense (CEE)		Canadian development expense (CDE)		Expenses renounced (2)
	Renoncement	Assistance	Renoncement	Assistance	
Total					

Portion of any reduction subject to an interest-free period: Partion soumise à une période sans intérêt

Enter the total of the amounts reported in box 120 of your T121 or T5013A slips.

(1) Identification number on Form T121 - Statement of Resource Expenses or the partnership's file identification number on Form T5013A - Statement of Partnership Income for Tax Shelters and Renounced Resource Expenses

II. Canadian resource expenditure pools

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

	CCEE	CCDE	CCOPE
Balance at the beginning of the year			
Add: Total current year renunciation from Area I			
Other resource expenses (T5013 slips, lines 90 to 92)			
Other (specify):			
Subtotal (a)			
Less: 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, lines 95 to 98)			
Other (specify):			
Subtotal (b)			
Balance available	(a)-(b)		

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

Rate: X 100% X 30% X 10%

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 X Inclusion Rate * X 20% =

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

Inclusion rate: before 2003 - 100%, 2003 - 30%, 2004 - 75%, 2005 - 65%, 2006 - 35%, after 2006 - 0%

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

Less: 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 T2209-RC)

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

(enter on line 232 of your return)

T2209 (R)

T1229

Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return. 3

Net income

Enter your total income from line 150. 150

Pension adjustment (box 62 on all T4 slips and box 034 on all T4A slips) 206

Registered pension plan deduction (box 20 on all T4 slips and box 032 on all T4A slips) 207

RRSP deduction (see Schedule 7, and attach receipts) 208 +

Saskatchewan Pension Plan deduction (maximum \$600) 209 +

Deduction for elected split-pension amount (see the guide, and attach Form T1032) 210 +

Annual union, professional, or like dues (box 44 on all T4 slips, and receipts) 212 +

Universal Child Care Benefit repayment (box 12 on all RC62 slips) 213 +

Child care expenses (attach Form T778) 214 +

Disability supports deduction 215 +

Business investment loss: Gross 228 Allowable deduction 217 +

Moving expenses 219 +

Support payments made: Total 230 Allowable deduction 220 +

Carrying charges and interest expenses (attach Schedule 4) 221 +

Deduction for CPP or QPP contributions on self-employment and other earnings (attach Schedule 8) 222 +

Exploration and development expenses (attach Form T1229) 224

Other employment expenses 225 +

Clergy residence deduction 231 +

Other deductions: Specify: 232 +

Add lines 207 to 204, 209, 231, and 232. 233 +

Line 150 minus line 233 (if negative, enter "0"). This is your net income before adjustments. 234 =

Social benefits repayment (if you reported income on line 113, 115, or 146, see line 235 in the guide). Use the federal worksheet to calculate your repayment. 235 -

Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide. This is your net income. 236 =

Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips) 244

Employee home loan deduction (box 37 on all T4 slips) 248 +

Security credits 249 +

Other credits deduction (if not reported income on line 147, see line 250 in the guide) 250 +

Limited partnership losses of other years 251 +

Non-capital losses of other years 252 +

Net capital losses of other years 253 +

Capital gains deduction 254 +

Northern residents deductions (attach Form T2222) 255 +

Additional deductions: Specify: 256 +

Add lines 244 to 256. 257 +

Line 236 minus line 257 (if negative, enter "0"). This is your taxable income. 260 =

Use your taxable income to calculate your federal tax on Schedule 1 and your provincial or territorial tax on Form 428.

T1, page 3

» NOTES FOR STEPS 2 & 3

Please see notes for steps 2 & 3 regarding Carry Forwards and Multiple Investments on page 7.

Box 120 & 121 continued...

» NOTES FOR STEPS 2 & 3

Carry forwards: Further on Steps 2 and 3, the calculations used in Section II and III of your T1229 take a little more thought due to the fact that CEE & CDE amounts need not be used immediately and can be carried forward and used in future years. Likewise, the current year's return could reflect unused amounts carried forward from earlier years.

The CCEE column or CCDE column of Section II may require investors to check their returns from the previous year to see if there is unused CEE or CDE from previous years. If there is an amount that has not been claimed, it may be entered on line 1 – "Balance at the beginning of the year." The current year renunciation goes on the second line of this section, and flows down to the bottom of the CCEE or CDEE column.

Multiple investments: If you have more than one resource investment, you will need to include all exploration (CEE) or development (CDE) expenses allocated to you in the applicable boxes of this section before computing the amount you may claim in your tax return. The maximum claim is computed on line 4. Enter the amount you wish to claim on line B (generally, this will be the maximum amount). Subtract the amount you wish to claim from the maximum amount to compute the amount, if any and that will be carried forward to 2011. The amount of CCEE or CDEE along with other resource expenditures (acronyms CCOGPE) from line B should be added together and used as the first line of Section III. The final line of Section III is entered on line 224 of your T1 Tax Return.

Step 4 of four

FORM T5001 Tax Shelter Loss or Deduction

A Claim for Tax Shelter Loss or Deduction (T5004) must be completed in order to claim a Tax Shelter Loss or Deduction related to your WCSB Investment.

The information on this form will be taken from your T5013A and from Schedule 4 of your T1 and must be included with the submission of your T1 tax return.

Identification

01 Fiscal period end / Exercice se terminant le: Y - A M

02 Partnership's Business Number: Numéro d'entreprise de la société de personnes

03 Tax shelter identification number: Numéro d'inscription de l'abri fiscal (Highlighted with red box and magnifying glass)

04 Is this a publicly traded partnership? / S'agit-il d'une société de personnes cotée à la bourse?

05 Type of slip / Genre de feuillet

06 Partnership code: Code du genre de société de personnes

07 Country code: Code du pays

08 Member code: Code de l'associé

09 Number of partnership units held: Nombre d'unités détenues de la société de personnes

10 Partner's share (% of partnership income (loss)) / Part (%) de l'associé dans les revenus (pertes) de la société de personnes

Sample T5013A

CLAIM FOR TAX SHELTER LOSS OR DEDUCTION
DEMANDE DES PERTES ET DES DÉDUCTIONS RATTACHÉES À UN ABRIS FISCAL

Use 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. Use only if you are an investor claiming a loss or deduction, a donation or political contribution deduction, or a tax credit.

Investor's name - Nom de l'investisseur

Address - Adresse

Investor's identification number - Numéro d'identification de l'investisseur

Tax shelter identification number** Numéro d'inscription de l'abri fiscal**	Tax shelter's name - Nom de l'abri fiscal	Purchase date Date de l'achat Year - Année / Month - Mois	Loss or deduction claimed Perte ou déduction demandée	Line from T1 return** Ligne de la déclaration T1**
1 T S				
2 T S				
3 T S				
4 T S				
5 T S				
6 T S				
7 T S				
8 T S				
9 T S				

Total amount claimed / Montant total demandé: 4765

Note - Remarque

** Income Tax Act paragraph 237(10)(c) - This identification number issued for the tax shelter shall be included in any income tax return filed by the investor. Assurance 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.

** Loi de l'impôt sur le revenu, article 237(10)(c) - Le numéro d'inscription attribué à cet abri fiscal doit figurer dans toute déclaration d'impôt sur le revenu produite par l'investisseur. L'attribution de ce numéro n'est qu'une formalité administrative et ne confirme aucunement le droit de l'investisseur aux avantages fiscaux découlant de cet abri fiscal.

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

2. If your claim is for a gift, use line 349, and if your claim is for a Political contribution (monetary contribution), use line 409.

3. If you are a limited partner of a partnership that invested in a tax shelter, make your claim on line 122. Not partnership income: limited or non-active partners only.

4. 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; 217, Business investment loss; 135, Business income; 221, Carrying charges and interest expense; 141, Farming income; 224, Exploration and development expense; 143, Fishing income; 232, Other deductions.

1. Utilisez la dernière colonne pour indiquer à quelle ligne vous faites votre demande dans une déclaration de revenus et de prestations des particuliers.

2. Si votre demande concerne un don, utilisez la ligne 349 et si votre demande concerne des contributions politiques (contributions monétaires) utilisez la ligne 409.

3. Si vous êtes un commanditaire d'une société de personnes qui a investi dans un abri fiscal, inscrivez le montant à la ligne 122. Revenus nets de société de personnes : commanditaires ou associés passifs.

4. Autrement, inscrivez le montant à la ligne qui correspond au genre de perte ou de déduction que vous demandez. Par exemple, ligne : 126, Revenus de location; 217, Perte au titre d'un placement d'entreprise; 135, Revenus d'entreprise; 221, Frais financiers et frais d'intérêt; 141, Revenus d'agriculture; 224, Frais d'exploration et d'aménagement; 143, Revenus de pêche; 232, Autres déductions.

Step (i) Start by entering the Partnership's Tax Shelter Identification # and Tax Shelter Name/WCSB Limited Partnership name from your T5013A into the identification sections of your T5004 as indicated.

Step (ii) Enter the purchase date, the date that you purchased WCSB.

Step (iii) Enter the amount of Loss or Deduction claimed and the applicable line number from your T1 tax return that the deduction was claimed on.

Generally, the reported amounts for your WCSB investment will be the claimed Exploration and Development Expense(s) - line 224, and Net Partnership Income (loss) - line 122.

Other considerations

This guide has been designed to offer you assistance when claiming your 2010 tax deduction from your WCSB investment. There are a number of additional considerations that may be applicable to your situation. Here are a few examples:

1) The CEE or CDE election. While an investor is allowed to deduct CEE at 100% and CDE at 30% per year, it is not required. As part of a tax planning strategy an investor may find it advantageous to carry forward some or all of an available CCEE or CCDE deduction and use this amount in subsequent years.

2) Cumulative Net Investment Losses (CNIL). Utilization of tax deductions through flow-through shares may have an effect on an investor's calculations of Cumulative Net Investment Loss (CNIL).

3) Capital Gains Exemptions. Renounced expenditures deducted by the investor may affect the ability of the taxpayer to claim the \$750,000 capital gains exemption in respect of sales of qualified small business shares and certain farm or fishing assets, as the calculation of a taxpayer's CNIL requires an inclusion of 50 per cent of the deductions taken by the taxpayer in respect of flow-through share renouncement's.

4) Alternative Minimum Tax. Alternative minimum tax may apply in a given taxation year, depending on the amount of renounced expenditures deducted by the investor.

5) Issue Costs. Investors may deduct issue costs associated with a flow-through limited partnership over a number of years subsequent to the dissolution of the partnership. These costs can be deducted on line 122 of your income tax return.

» NOTE

This is not a detailed listing of every possible tax consideration and is designed to be a general guide only. Each individual's tax and investment planning situation is unique and professional advice should always be received from a qualified tax and/or investment specialist.

Frequently Asked Questions

WHAT CAN AN INVESTORS INVESTOR EXPECT WITHIN THE FIRST YEAR OF INVESTMENT?

Within the first year of investment investors can expect to receive a 40 – 50% tax deduction on their invested capital with the balance to follow over the next 4 years. Investors can also expect to see the commencement of cash distributions within approximately 6-9 months from the closing date of the offering to which they invested. These cash distributions are directly deposited into their account.

WHEN WILL MY T5013A TAX SLIP BE MAILED OUT?

In January and February of each year the oil and resource companies in which WCSB invests forward their tax information from the development activities. The information is then forwarded to your investment dealers back office in order for them to prepare your T5013A tax slips for mailing to you. The T5013A should be mailed to you on or before March 31st of each year directly to you from your investment dealers back office. If you have not received your tax slip by approximately March 31st please contact your investment dealers back office.

WHAT IS MY ADJUSTED COST BASE (ACB) AND HOW DO I CALCULATE IT?

The adjusted cost base or “ACB” is generally what you originally paid for your investment. However, once you realize the tax deductions from the Limited Partnership, you are deemed to have an ACB of nil, due to the receipt of the tax deductions which will approximately equal your original investment amount. A nil ACB means that when you sell your investment, you get to claim capital gain which gets preferential tax treatment in comparison to otherwise paying tax on income.

WHEN IS A WCSB LIMITED PARTNERSHIP LIQUIDITY EVENT EXPECTED TO OCCUR?

The liquidity event of each WCSB Limited Partnership is estimated to take place about 2.5 -3 years after the final closing of the offering. Generally it takes about 12-15 months for new wells to settle into a reliable production range and once the wells have been on stream for 12-15 months, WCSB will then commence the process of packaging them for sale. This process typically takes a further 12 months or so. As a result, it is reasonable to consider a 30-36 month time horizon from the date of investment to anticipated timing of a liquidity event.

WHAT CAN AN INVESTOR EXPECT UPON LIQUIDITY OF A WCSB LIMITED PARTNERSHIP?

An investor can expect to receive cash, shares of a publicly traded company or a combination of the two upon liquidation of the WCSB Limited Partnership. Alternatively you may receive redeemable shares of a mutual or investment fund or other similar investment vehicle. If shares are included at liquidation there will be no extra fees above normal brokerage expenses to sell your shares for cash.

Keep in touch

>> CORPORATE OFFICES

Vancouver, British Columbia

CADO Bancorp Ltd.

PO Box 10357 Suite 808 – 609 Granville Street, Vancouver, BC V7Y 1G5

Tel: (604) 684 5742 | Fax: (604) 684 5748 | Email: info@cadobancorp.ca

Calgary, Alberta

Brickburn Asset Management Ltd.

201, 221 Tenth Avenue SE, Calgary, AB T2G 0V9

Tel: (403) 303 4488 | Fax: (403) 303 4489 | Web: www.brickburn.com

>> TRANSFER AGENT

Valiant Trust Company

600 - 750 Cambie St, Vancouver, BC V6B 0A2

Tel: (604) 699 4880 | Fax: (604) 681 3067 | Web: www.valianttrust.com

>> LEGAL COUNSEL

Borden Ladner Gervais, LLP

P.O. Box 48600, 1200 - 200 Burrard Street, Vancouver, BC V7X 1T2

Tel: (604) 687 5744 | Fax: (604) 687 1415 | Web: www.blgcanada.com

**This guide and other relevant information
can be found on the Tax Reporting 2010 page of WCSB.ca**



WCSB

ROYALTY INCOME INVESTMENTS

>> WCSB.ca