

# DONATION SUMMARY | TERRA 2023 SHORT-TERM FLOW-THROUGH LP

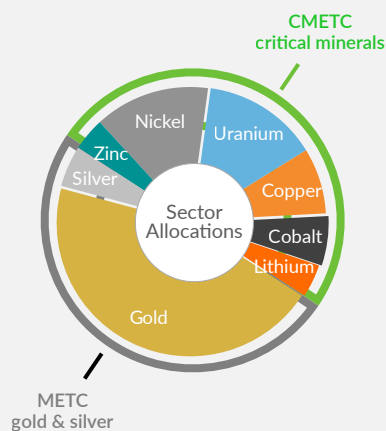
**New for 2023** - 30% Critical Mineral Exploration Tax Credit |  **Donate** in 2024

## WHY TERRA

Investors seeking to significantly reduce 2023 taxes and make a low cost cash donation to their favourite charities in 2024 should consider the Terra 2023 Short-Term Flow-Through LP. Terra LPs are expertly managed and provide full tax deductibility.

## REASONS TO INVEST

- > Government endorsed tax deductions & mining tax credits, including the new 30% critical mineral exploration tax credit (CMETC)
- > Low cost cash donation
- > No reliance on tax rulings
- > Public share investments
- > Reduced risk with investment in a diversified portfolio of 25 ~ 35 issuers in multiple sectors



## FUNDSERV CODES

FE: TER 323; NL: TER 423  
Minimum investment: \$5,000

## CLOSINGS

FEB 28, MAR 31 & APR 30  
subject to availability

## DONATION SUMMARY

INVEST \$10,000; SAVE \$11,477 & DONATE \$8,000 FOR \$655 IN QC

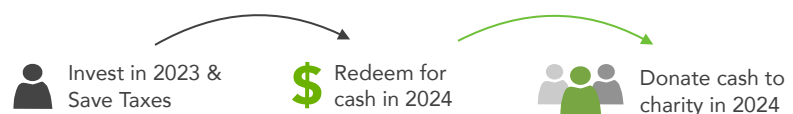
|                                    | BC         | AB         | ON         | QC         |
|------------------------------------|------------|------------|------------|------------|
| A. Investment                      | (\$10,000) | (\$10,000) | (\$10,000) | (\$10,000) |
| B. Tax Savings                     | 10,962     | 10,525     | 10,724     | 11,477     |
| C. Capital gains tax               | (2,140)    | (1,920)    | (2,141)    | (2,132)    |
| D. Cost to Donate - \$ (A + B + C) | (1,178)    | (1,395)    | (1,417)    | (655)      |
| E. Cash Donation to Charity (est.) | \$8,000    | \$8,000    | \$8,000    | \$8,000    |
| F. Cost to Donate - % (D / E)      | 14.7%      | 17.4%      | 17.7%      | 8.2%       |

An investment provides initial tax savings from its diversified flow-through investment portfolio and additional tax savings from the subsequent cash donation. For more details on QC, see page 2.

Federal tax deductions and tax credits provided in 2023 include **Canadian Exploration Expenses (CEE)**; and **two** types of federal mining tax credits: **(1) a 15% federal mineral exploration tax credit (METC)** - for gold and silver investments; or **(2) a 30% federal critical mineral exploration tax credit (CMETC)** - for clean energy critical mineral investments, including cobalt, copper, lithium, nickel, uranium & zinc. Additional provincial mining tax credits (BC, SK, MB & ON) & mining tax deductions (QC) are also provided for provinces with exploration incentives, but are not included in the table above. Donation tax credits are provided in 2024 with a **cash donation** to charity (see page 2).

## 3 STEP PROCESS TO DONATE CASH

The combination of tax savings provides a low cost way to donate.



## PORTFOLIO MANAGEMENT TEAM

Portfolio investments are managed by Cypress Capital Management Ltd. The manager has a particularly strong capability in the junior & intermediate resource sectors where the majority of flow-through investments occur.



## QUÉBEC DONATION SUMMARY - PER \$10,000 INVESTMENT - CLASS A

The Terra 2023 Short-Term Flow-Through LP provides attractive tax savings & offers individuals a cost effective way to give.

**TABLE 1: TAX SAVINGS - PER \$10,000 INVESTMENT - QUÉBEC**

Federal tax deductions and tax credits provided in 2023 include Canadian Exploration Expenses (CEE) and **two** types of federal mining tax credits: (1) 15% mineral exploration tax credit - METC; or (2) 30% critical mineral exploration tax credit - CMETC. Additional Québec mining tax deductions will be provided for qualified investments but are not included below. Donation tax credits are received in 2024 when the cash donation is made to charity.

|   | 2023<br>Investment | 2024<br>Donation | 2025 ~ 2027<br>Post Donation | Totals          |
|---|--------------------|------------------|------------------------------|-----------------|
| A. CEE & Other Deductions                   | \$9,400            | \$1,015          | \$440                        | \$10,855        |
| B. Tax Rate <sup>1</sup>                    | 53.31%             | 53.31%           | 53.31%                       | 53.31%          |
| C. Tax savings - CEE & Other ( A x B )      | \$5,011            | \$541            | \$235                        | \$5,787         |
| D. 15% METC (\$4,500 x 15%) <sup>2,3</sup>  | \$675              | (\$186)          | -                            | \$489           |
| E. 30% CMETC (\$4,500 x 30%) <sup>2,3</sup> | \$1,350            | (\$372)          | -                            | \$978           |
| F. Donation Tax Credit - see Table 3        | -                  | \$4,223          | -                            | \$4,223         |
| <b>Annual Tax Savings ( C + D + E + F )</b> | <b>\$7,036</b>     | <b>\$4,206</b>   | <b>\$235</b>                 | <b>\$11,477</b> |

<sup>1</sup> Assumes highest marginal tax rate applies. <sup>2</sup> Investment provides two federal mining tax credits: half of the eligible CEE qualifies for a 15% federal METC and the remaining half, a 30% federal CMETC. <sup>3</sup> Tax credits are only available to individuals & taxable as income in 2024.

**TABLE 2: CASH FLOW & COST TO DONATE \$8,000**

|  | 2023<br>Investment | 2024<br>Donation | 2025 ~ 2027<br>Post Donation | Totals     |
|--|--------------------|------------------|------------------------------|------------|
| A. Investment                                | (\$10,000)         | -                | -                            | (\$10,000) |
| B. Annual Tax Savings                        | \$7,036            | \$4,206          | \$235                        | \$11,477   |
| C. Capital Gains Tax <sup>4</sup>            | -                  | (\$2,132)        | -                            | (\$2,132)  |
| D. Cost to Donate - \$ ( A + B + C )         | (\$2,964)          | \$2,074          | \$235                        | (\$655)    |
| E. Cash Donation (est.)                      |                    | \$8,000          |                              | \$8,000    |
| F. Cost to Donate - % ( D / E ) <sup>5</sup> |                    |                  |                              | 8.2%       |

<sup>4</sup> The investment is redeemed to fund the cash donation and is subject to capital gains tax: \$8k x 50% x 53.31%.

<sup>5</sup> The net after-tax cost to donate \$8,000 is estimated at \$655 or 8.2% of the cash donation amount.

**TABLE 3: DONATION TAX CREDIT CALCULATION - \$8,000 CASH DONATION**

There are three tiers of federal & provincial tax credits, as shown in the table below. For charitable donations exceeding \$200, the federal tax credit and QC provincial tax credit are highest for taxable income over \$235,675 in 2023.

| Tier           | Taxable Income | Tax Credit <sup>6</sup> - % | Cash Donation <sup>7</sup> | Tax Credit - \$ |
|----------------|----------------|-----------------------------|----------------------------|-----------------|
| 1. First \$200 | -              | 32.53%                      | \$200                      | \$65            |
| 2. Over \$200  | ≤ \$235,675    | 48.22%                      | \$0                        | \$0             |
| 3. Over \$200  | > \$235,675    | 53.31%                      | \$7,800                    | \$4,158         |
| <b>Totals</b>  |                |                             | <b>\$8,000</b>             | <b>\$4,223</b>  |

<sup>6</sup> Federal portion is reduced by the 16.5% abatement for Quebec taxpayers.

<sup>7</sup> The maximum charitable donation limit is 75% of net income each year, except Québec. Unused donations can be carried forward 5 years.

Investors should refer to the Offering Memorandum for a more detailed description. Additional provincial mining tax credits (BC, SK, MB, ON) and supplementary provincial tax deductions (QC) are not included in the tables but will also be provided for qualified mining investments. Figures are for illustrative purposes only and are not intended as a forecast of future events. Actual tax deductions & tax credits may be more or less. Tax rates & capital gains inclusion are subject to change.