

# EXECUTIVE SUMMARY | TERRA 2024 Short-Term Flow-Through Limited Partnership

## A Tax-Advantaged Investment Redeemable in 2025

### INVESTMENT OVERVIEW

Investors seeking to reduce taxes on 2024 personal or corporate income should consider the Terra 2024 Short-Term Flow-Through LP (Terra LP). The partnership: (1) provides significant tax deductions & tax credits for reducing the amount of tax owing; (2) converts income into a lower-taxed capital gain; (3) allows investors with available capital losses to offset the capital gain on redemption to eliminate capital gains tax; (4) offers a diversified portfolio with potential for attractive returns; and (5) may be redeemed in mid 2025 or sooner.

### WHY TERRA

Terra has a successful 19-year track record, investing in more than 700 flow-through issues for over 6,000 investors. The average after-tax return is between 27% and 52% on rollover for the most recent partnerships from 2015 to 2023 (see Past Performance table below).

### REASONS TO INVEST

- > **Government endorsed tax benefits** providing substantial tax savings (see page 2)
- > **Strong return potential** in gold and critical mineral investments (see Past Performance table below)
- > **Actively managed** to reduce risk and increase opportunity
- > **Low breakeven** (see page 2)
- > **Quick rollover targeted for June 2025** or sooner (see page 4)

### ADDITIONAL INVESTOR OPTIONS

- > **Utilize capital losses** to offset capital gains and eliminate capital gains tax to further enhance returns
- > **Reinvest:** re-cycle investment & compound tax savings
- > **Retain** to defer capital gains and participate in additional potential investment gains until redeemed
- > **Carry-back:** invest more this year and carry back excess deductions (i.e. non-capital loss) to recoup 2021~2023 taxes
- > **Donate** for additional tax savings

### PORTFOLIO MANAGER

Portfolio investments are expertly 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.



**Brad Bay, CFA** is portfolio manager for the Terra 2024 Short-Term Flow-Through LP and a member of the investment team at Cypress Capital Management Ltd. (Cypress), which manages over \$4.5 billion in assets for institutional and private clients. He was co-manager or manager of the Terra 2019 to Terra 2023 Short-Term Flow-Through Limited Partnerships and is portfolio manager for the Terra Small Cap Growth Fund. Brad joined Cypress in 2017 as an Analyst and was promoted to Portfolio Manager in 2019. Mr. Bay previously worked at Haywood Securities as an Analyst in the Investment Banking and Corporate Finance group and Priviti Capital as an oil & gas equity analyst. Mr. Bay holds a B.Comm from the Haskayne School of Business at the University of Calgary and is a Chartered Financial Analyst.

### PAST PERFORMANCE OF TERRA LPS - per \$25 invested

The combination of substantial tax savings & investment performance provides attractive returns.

Terra LP	Rollover Date	Months to Rollover	Invested Amount	Rollover NAV	After-Tax Return (%)				
					BC	AB	ON	QC	NS
Terra 2023	June 2024	6 months	\$25	\$15.93	37%	19%	30%	54%	30%
Terra 2022	June 2023	6 months	\$25	\$14.81	30%	14%	25%	57%	25%
Terra 2021	Sept 2022	9 months	\$25	\$12.22	-2%	-12%	-5%	1%	-5%
Terra 2020	April 2021	4 months	\$25	\$25.45	103%	77%	93%	114%	92%
Terra 2019	June 2020	6 months	\$25	\$20.91	54%	41%	52%	72%	51%
Terra 2018	April 2019	4 months	\$25	\$18.24	19%	17%	25%	30%	26%
Terra 2017	June 2018	6 months	\$25	\$16.59	8%	8%	17%	26%	17%
Terra 2016	June 2017	6 months	\$25	\$17.63	13%	13%	21%	20%	22%
Terra 2015	June 2016	6 months	\$25	\$26.21	81%	65%	91%	96%	92%
<b>AVERAGES</b>		<b>5.9 months</b>	<b>\$25</b>	<b>\$18.66</b>	<b>38%</b>	<b>27%</b>	<b>39%</b>	<b>52%</b>	<b>39%</b>

NAV on rollover for Class A units. Months to rollover is calculated from first fiscal year-end for each LP. After-tax return estimates are based on net cost / money at risk, assume the highest marginal tax rate and 50% capital gains inclusion rate for each province. Past performance does not guarantee future results.

**SPEED  
READ**

**Minimum Purchase**  
\$5,000

**Early Rollover**  
June 2025

**Mining Focus**  
Critical Minerals & Precious Metals

**Investor Eligibility**  
Accredited - All Provinces  
Eligible - BC, AB, NS

**Investor Closings**  
Monthly  
subject to availability

**FundSERV Codes**  
FE: TER 324  
NL: TER 424

## FINANCIAL ASPECTS FOR INVESTORS - PER \$10,000 INVESTMENT - CLASS A

The Terra 2024 Short-Term Flow-Through LP (Terra LP) provides investors substantial tax benefits from gold and critical mineral flow-through share investments. The federal & provincial tax benefits provided include Canadian exploration expense deductions, 15% or 30% federal mining exploration tax credits and provincial tax incentives for mineral exploration in BC, SK, MB, ON & QC.

**TABLE 1: 2024 TAX SAVINGS**

The Terra LP provides substantial tax deductions and tax credits that reduce 2024 income tax.

		BC	AB	ON	QC	NS
Invest	A. Terra LP Investment	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
	B. CEE & Other Deductions	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400
	C. Tax Rate - Individual <sup>1</sup>	53.5%	48%	53.53%	53.31%	54%
Tax Savings	D. Tax Savings - CEE & Other $B \times C$	\$5,029	\$4,512	\$5,032	\$5,011	\$5,076
	E. Federal Tax Credits <sup>2</sup>	\$1,904	\$2,025	\$1,995	\$2,025	\$2,025
	F. Provincial Tax Credits / QC Tax Savings <sup>2</sup>	\$540	-	\$135	\$139	-
	G. 2024 Tax Savings $D + E + F$	\$7,473	\$6,537	\$7,161	\$7,175	\$7,101

**TABLE 2: INVESTMENT RETURN SCENARIOS**

The after-tax return is widely used for evaluating the performance of a flow-through investment because the tax benefits contribute to the return. Returns are driven primarily by the performance of the investment portfolio and enhanced by tax savings, which lower the overall cost. The illustration below shows returns are very attractive even for a NAV on redemption less than the initial \$10,000 investment.

### Type & Timeline of Cash Flows

		BC	AB	ON	QC	NS
Cash Out	A. Terra LP Investment	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Cash In: Net Tax Savings	B. 2024 Tax Savings <sup>1</sup> <i>Table 1</i>	\$7,473	\$6,537	\$7,161	\$7,175	\$7,101
	C. Tax credit income inclusion in 2025 <sup>2</sup>	(\$1,307)	(\$972)	(\$1,140)	(\$923)	(\$1,094)
	D. Additional tax savings: 2025 - 2028 <sup>3</sup>	\$786	\$706	\$787	\$784	\$794
	E. Net Cost / Cash Outlay $A + B + C + D$	(\$3,048)	(\$3,729)	(\$3,192)	(\$2,964)	(\$3,199)
Cash In: Redeem Investment	F. NAV on redemption in 2025 - \$ <sup>4</sup>	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
	G. Marginal tax rate	53.5%	48%	53.53%	53.31%	54%
	H. Capital gains tax <sup>5</sup> $F \times 50\% \times \text{tax rate}$	(\$2,140)	(\$1,920)	(\$2,141)	(\$1,823)	(\$2,160)
	I. Net Cash Received $F + H$	\$5,861	\$6,080	\$5,859	\$6,177	\$5,841
Return	J. After-Tax Return - \$ $E + I$	\$2,812	\$2,351	\$2,668	\$3,213	\$2,642
	K. Net Cost / Cash Outlay $E$	\$3,048	\$3,729	\$3,192	\$2,964	\$3,199
	L. After-Tax Return - % $J / K$	92%	63%	84%	108%	83%

**TABLE 3: BREAK-EVEN**

Break-even is the net asset value (NAV) required on redemption, such that after paying capital gains tax, the investor recoups their net cost.

		BC	AB	ON	QC	NS
	A. Net Cost / Cash Outlay <i>Table 2</i>	(\$3,048)	(\$3,729)	(\$3,192)	(\$2,964)	(\$3,199)
	B. NAV required to break-even	\$4,162	\$4,907	\$4,358	\$4,042	\$4,382
	C. Capital gains tax <sup>5</sup> $B \times 50\% \times \text{tax rate}$	(\$1,113)	(\$1,178)	(\$1,166)	(\$1,077)	(\$1,183)
	D. Net Proceeds $B + C = A$	\$3,048	\$3,729	\$3,192	\$2,964	\$3,199

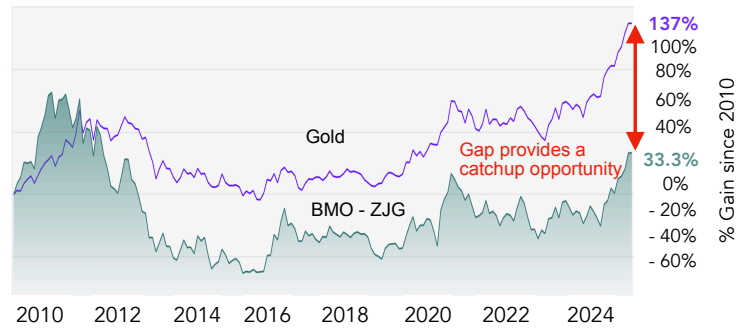
<sup>1</sup> Assumes highest marginal tax rates apply. Income tax savings are similar to a repayment of capital because they reduce the net cost of the investment. <sup>2</sup> Tax credits provided by flow-through share investments are only available to individuals (except trusts) & taxable as income in 2025. <sup>3</sup> Maximum between 2025 & 2028. <sup>4</sup> NAV on redemption is a hypothetical illustration showing how returns are calculated, is not guaranteed and assumes the 50% capital gains inclusion rate applies if the NAV on redemption is less than \$250,000. <sup>5</sup> Capital gains inclusion rate for individuals is 50% on the first \$250,000 of annual gains and 66.7% of annual gains over \$250,000. Capital gains realized on the sale of QC flow-through shares in the portfolio are assumed to be exempt from provincial tax in Quebec. If realized capital losses are available to fully offset the capital gain, no capital gains tax is owing on redemption. Tax deductions and credits are subject to Alternative Minimum Tax (AMT) including the federal 20.5% AMT. Investors can reclaim tax previously paid between 2021 and 2023 by acquiring excess CEE deductions this year to create a non-capital loss in 2024, which can be carried back up to 3 years or carried forward to 2025 and beyond to reduce future taxes payable. Tax rates & capital gains inclusion rates are subject to change. Figures are for illustration purposes only, are not guaranteed and may not be indicative of actual results, which may be more or less.

## WHY GOLD & CRITICAL MINERAL MINERS ARE ATTRACTIVE

### Gold Mining Stocks are Undervalued

Gold and gold stocks are well positioned to rise further with growing geopolitical tensions, mounting global debt, declining interest rates and concerns about reserve currencies. Relative to the gold bullion price, precious metals mining stocks have underperformed. Junior gold mining stocks are trading on a P/E relative that is substantially below its norm and has decoupled from gold prices. Junior gold mining stocks have lagged gold bullion (see graph) and typically outperform both senior gold miners and gold bullion after a period of consolidation. With declining reserves, senior gold miners will look to replace & add to their reserves by taking over junior miners with promising developments.

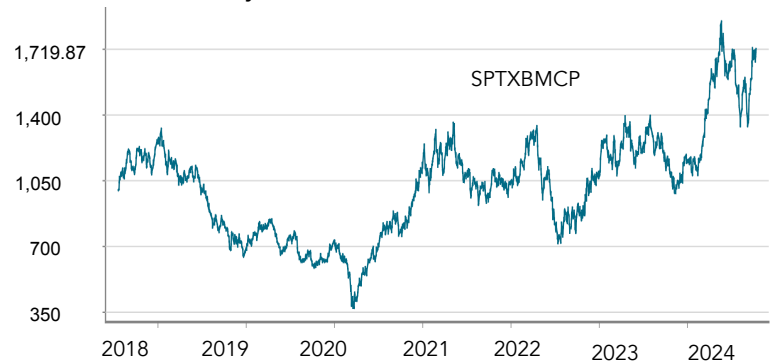
BMO Junior Gold Index ETF vs Gold Bullion (CAD)



### Growing Critical Mineral Demand

Transitioning to the clean energy economy will be as reliant on natural resources as our current economy. Instead of oil, coal and natural gas, we'll need lithium, nickel, cobalt and manganese for electric vehicle's (EV's) and battery storage... and copper for just about everything. The market size of key energy transition minerals – copper, lithium, nickel, cobalt and graphite – has more than doubled since 2018. The S&P/TSX Battery Minerals Index (see graph) tracks Canadian-listed companies engaged in the production or exploration of critical metals used in battery manufacturing. With demand likely to outstrip supply in the coming years, critical mineral miners may outperform as electric vehicle demand and the clean energy transition grows.

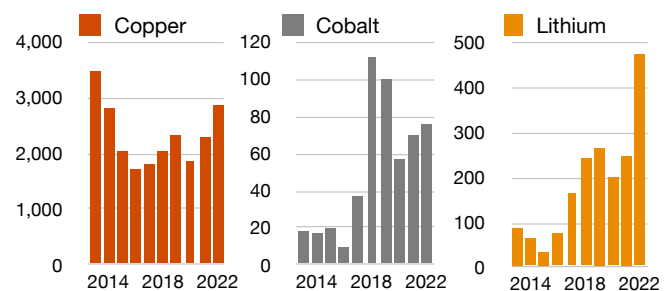
S&P/TSX Battery Metals Index (CAD)



### Increasing Emphasis on Discovery

Over the past decade, lower commodity prices and limited access to capital have curtailed resource exploration and development. New mines often take decades to achieve commercial production. The International Energy Agency (IEA) forecasts that soaring EV battery demand will require 50 new lithium projects, 60 nickel mines and 17 cobalt developments by 2030. Given projected supply shortfalls of critical minerals, continued investment to discover new critical mineral deposits will be essential to accelerate and sustain the energy transition. Junior companies with attractive critical mineral exploration projects will become acquisition targets as more senior miners seek to acquire these assets to power future growth.

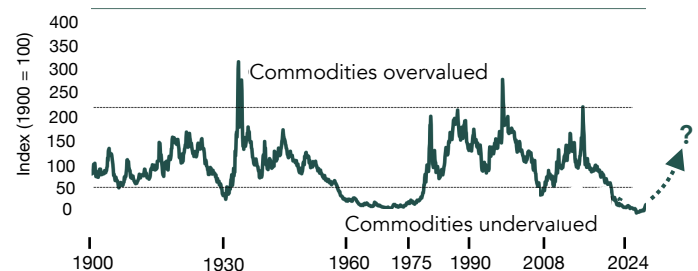
Exploration spending on three key commodities ( US \$m )




### Commodities & Resource Equities are Cheap

Commodities and natural resource equities have never been cheaper relative to financial assets, making commodities an attractive investment opportunity (see graph). As the graph shows, the most extreme periods of commodity undervaluation took place in 1929, 1969, 1999 and 2020. Periods of commodity undervaluation usually precede the beginning of a new resource cycle and provide good entry points for resource investors. For these and other reasons (including underinvestment in mines causing supply to lag demand), Terra believes many resource companies offer an attractive investment opportunity for investors as they currently trade below their intrinsic value.

COMMODITY PRICES / DOW JONES INDUSTRIAL AVERAGE  
1900 ~ 2024



## HOW IT WORKS

Today	2024	March 2025	June 2025	June / July 2025
<b>Step 1</b> Investor subscribes for units in Terra LP	<b>Step 2</b> Terra LP invests in a diversified portfolio of gold & critical mineral flow-through shares	<b>Step 3</b> Investor receives tax slip for claiming tax deductions and credits on their tax return	<b>Step 4 - rollover</b> Terra LP transfers assets tax-free to Terra Mutual Fund with flexible options	<b>Step 5 - options</b> <ul style="list-style-type: none"> <li>• Redeem for cash</li> <li>• Retain &amp; defer tax</li> <li>• Reinvest for more tax savings</li> <li>• Utilize capital losses</li> <li>• Donate or fund a DAF</li> </ul>
Terra 2024 Short-Term Flow-Through LP ( Terra LP )			Tax-free exchange 	Terra Mutual Funds Ltd.

## HOW WE BUILD PORTFOLIOS

We actively invest in a diversified portfolio of 30 to 35 flow-through investments financing critical mineral or precious metals exploration in Canada. These publicly traded investments provide substantial tax savings and potential for attractive returns. Sector weightings are determined through individual stock selection by the portfolio manager.

## MINING SUPER FLOW-THROUGH ALLOCATION

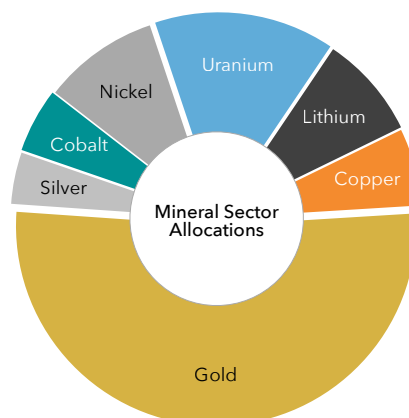
Targeted investments are divided equally between those that qualify for (1) federal 30% critical mineral exploration tax credit (**CMETC**) for investments in cobalt, copper, graphite, lithium, nickel & uranium or (2) federal 15% mineral exploration tax credit (**METC**) for investments in gold or silver.

## EARLY ROLLOVER / MATURITY

Terra's targeted rollover is on or about June 2025, which is significantly shorter than other flow-through limited partnerships that often have a life span of 2 or more years. On rollover / maturity, the Terra LP automatically transfers its assets on a tax deferred basis to the Terra Small Cap Growth Fund, whose shares may be retained, redeemed for cash, reinvested in a new Terra LP, transferred to an RRSP or TFSA account or donated for additional tax savings.

Terra Rollover June 2025	Competing FTLP Rollovers Sept 2025 to July 2026
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Diversification by Mineral / Metal



## TARGETED MINERAL INVESTMENTS - BY PROVINCE

The table below provides an overview of the primary sources for critical minerals & precious metals by province.

Critical Mineral / Province	BC	AB	SK	MB	ON	QC	NS	NB	NL	YT, NT
Cobalt										
Copper										
Graphite										
Lithium										
Nickel										
Uranium										
Zinc										

Precious Metal / Province	BC	AB	SK	MB	ON	QC	NS	NB	NL	YT, NT, NU
Gold										
Silver										

## OFFERING SUMMARY

Refer to the offering memorandum for more detailed information.

ISSUER	Terra 2024 Short-Term Flow-Through Limited Partnership																		
FUNDSERV CODES	FE: <b>TER 324</b> (A Class), NL: <b>TER 424</b> (F Class)																		
FORM OF ISSUE	Tax-advantaged limited partnership units.																		
ISSUE SIZE	Maximum \$60,000,000 (600,000 Units).																		
PRICE PER UNIT	\$100																		
MINIMUM PURCHASE	\$5,000 (50 Units). Incremental purchases in multiples of \$500.																		
WHO CAN PURCHASE	<b>Accredited Investors</b> ( All provinces) & <b>Eligible Investors</b> ( Provinces of BC, AB, NS ) and an investor who is not an individual and purchases not less than \$150,000.																		
USE OF PROCEEDS	The LP will invest in a portfolio of critical mineral & precious metals flow-through mining shares.																		
EARLY ROLLOVER	Target date is <b>June 2025</b> or earlier.																		
INVESTMENT GUIDELINES	<p>The investment policies for the LP provide investors a diversified portfolio of equity securities of public mining resource companies that offer significant tax benefits and capital appreciation potential.</p> <table> <tr> <th>DESCRIPTION</th><th>INVESTMENT GUIDELINES</th></tr> <tr> <td>Resource companies listed on a Canadian exchange</td><td>100% of Available Funds</td></tr> <tr> <td>Investment in Mining Super Flow-Through Shares</td><td>Up to 100% of Available Funds</td></tr> <tr> <td>Canadian Exploration Expense (CEE) deductions</td><td>Up to \$1,088 per \$1,000 investment</td></tr> <tr> <td>15% Federal Mineral Exploration Tax Credit (METC)</td><td>Up to \$135 per \$1,000 investment</td></tr> <tr> <td>30% Federal Critical Mineral Exploration Tax Credit (CMETC)</td><td>Up to \$270 per \$1,000 investment</td></tr> <tr> <td>Provincial mining tax credits &amp; mining tax deductions</td><td>Available for qualified investments in BC, SK, MB, ON &amp; QC</td></tr> <tr> <td>Investments in private companies</td><td>Not Permitted</td></tr> <tr> <td>Borrowing</td><td>Not Permitted</td></tr> </table>	DESCRIPTION	INVESTMENT GUIDELINES	Resource companies listed on a Canadian exchange	100% of Available Funds	Investment in Mining Super Flow-Through Shares	Up to 100% of Available Funds	Canadian Exploration Expense (CEE) deductions	Up to \$1,088 per \$1,000 investment	15% Federal Mineral Exploration Tax Credit (METC)	Up to \$135 per \$1,000 investment	30% Federal Critical Mineral Exploration Tax Credit (CMETC)	Up to \$270 per \$1,000 investment	Provincial mining tax credits & mining tax deductions	Available for qualified investments in BC, SK, MB, ON & QC	Investments in private companies	Not Permitted	Borrowing	Not Permitted
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LEGAL & TAX COUNSEL	Stikeman Elliott LLP																		
AUDITORS	KPMG LLP, Chartered Professional Accountants																		
CUSTODIAN	Canadian Western Trust Company																		
MANAGEMENT FEE	The Investment Fund Manager will be entitled to an annual management fee equal to 2%.																		
PERFORMANCE BONUS	Performance bonus is 20% of any gain over the starting \$100 per Unit value on rollover.																		
RRSP & TFSA ELIGIBILITY	The Mutual Fund Shares received on rollover of the LP may be contributed to RRSPs and TFSAs or donated to charity.																		
CLOSINGS	<b>Monthly</b> , subject to availability.																		



## 2005

Terra launches first Flow-Through LP

## 2007

Terra surpasses 1,000 investors

## 2009

Terra introduces early rollover

## 2013

Cypress Capital appointed portfolio manager

## 2024

Terra launches its 25th Flow-Through LP

## ABOUT US

### GENERAL PARTNER

#### Terra Flow-Through GP Management Ltd.

John Jacobi is the President, Chief Executive Officer and a director of Terra Flow-Through GP Management Ltd.. He has been or is also the President, CEO and a director of the Terra 2005 to Terra 2023 and Terra 2024 Short-Term Flow-Through Limited Partnerships. Mr. Jacobi is President of Terra Fund Management Ltd. and Linden Mills Investments Inc. He previously served as a director of TerraTundra Foundation from 2011 to 2019. Prior to 1993, Mr. Jacobi held a number of senior management positions with high technology start-ups. Mr. Jacobi has a Bachelor of Commerce degree from Queen's University and a Masters of Business Administration from the Ivey School of Business, Western University.

### PORTFOLIO MANAGER

#### Cypress Capital Management Ltd.

Cypress Capital Management Ltd. (Cypress) will source and direct investments for the Partnership. Brad Bay, CFA is portfolio manager for the Terra 2024 Short-Term Flow-Through LP and a member of the investment team at Cypress, which manages over \$4.5 billion in assets for institutional and private clients. He was co-manager or manager of the Terra 2019 to Terra 2023 Short-Term Flow-Through Limited Partnerships and is portfolio manager for the Terra Small Cap Growth Fund. Brad joined Cypress in 2017 as an Analyst and was promoted to Portfolio Manager in 2019. Mr. Bay previously worked at Haywood Securities as an Analyst in the Investment Banking and Corporate Finance group and Priviti Capital as an oil & gas equity analyst. Mr. Bay holds a B.Comm from the Haskayne School of Business at the University of Calgary and is a Chartered Financial Analyst.

### ADVISORY BOARD MEMBER

#### Don W. Hunter, FCPA, FCA, ICD.D

Mr. Hunter, FCPA, FCA, MBA, ICD.D, is a professional director and a retired partner of PricewaterhouseCoopers LLP (PwC). Mr. Hunter is currently Chair of the Advisory Board of Terra Fund Management Ltd, Board Chair of United Property Resource Corporation and Kindred Works Inc, and a member of the appeal hearing panel for the Canadian Public Accountability Board. He recently retired as Board Chair of Knowledge First Financial and as Chairman of the Independent Review Committee of CIBC Asset Management. Mr. Hunter has been on the Accounting and Auditing Advisory panel of the Financial Services Commission of Ontario, has lectured at the University of Toronto and CPA Ontario and has participated on numerous community boards. In 2009, Mr. Hunter was awarded the FCPA designation by CPA Ontario that honours members who have given outstanding service to the profession and brought distinction to it. Mr. Hunter has an MBA from York University and a B.E.Sc. (Engineering) from Western University.



Terra Fund Management Ltd. • 51 Wolseley St. Ste 101 Toronto, ON M5T 1A4

• 1.888.449.4645 • info@terrafunds.ca • terrafunds.ca

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