

# 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 38% and 68% on rollover for the most recent period, 2015 to 2023 (see Past Performance table below).

### REASONS TO INVEST

- > **Government endorsed tax benefits** including the new 30% Critical Mineral Exploration Tax Credit (CMETC)
- > **Strong return potential** in critical mineral (lithium, uranium, nickel, cobalt, copper, graphite) and gold & silver investments
- > **Actively managed** to reduce risk and increase opportunity
- > **Low breakeven** (see page 2)
- > **Rollover in June 2025** or sooner - twice as quickly as other LPs

### ADDITIONAL INVESTOR OPTIONS

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

## 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.

Flow-Through LP	Rollover Date	Months to Rollover	Invested Amount	NAV	After-Tax Return (%)				
					BC	AB	ON	QC	NS
Terra 2023	TBD	TBD	\$25	\$20.95	100%	71%	90%	133%	91%
Terra 2022	June 2023	6 months	\$25	\$15.39	36%	19%	30%	64%	30%
Terra 2021	Sept 2022	9 months	\$25	\$13.02	3%	-7%	-0%	7%	-0%
Terra 2020	April 2021	4 months	\$25	\$26.76	114%	86%	103%	125%	102%
Terra 2019	June 2020	6 months	\$25	\$22.25	64%	49%	61%	83%	61%
Terra 2018	April 2019	4 months	\$25	\$19.40	26%	23%	33%	38%	33%
Terra 2017	June 2018	6 months	\$25	\$17.68	15%	15%	23%	35%	24%
Terra 2016	June 2017	6 months	\$25	\$18.61	19%	19%	28%	26%	28%
Terra 2015	June 2016	6 months	\$25	\$27.42	88%	71%	98%	105%	100%
<b>AVERAGES</b>		<b>5.9 months</b>	<b>\$25</b>	<b>\$20.16</b>	<b>52%</b>	<b>38%</b>	<b>52%</b>	<b>68%</b>	<b>52%</b>

NAV on rollover or December 31, 2023 for Class F units. Months to rollover is calculated from first fiscal year-end for each LP. After-tax return estimates are based on net cost / capital at risk and assume the highest marginal tax rate applies in 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 \$1,000 INVESTMENT - CLASS F

For a \$1,000 investment, individuals receive up to \$762 in tax savings in 2024, or 76% of the capital invested (Table 1) and the potential to earn an attractive after-tax return (Table 2). The Terra LP is also very tax efficient because proceeds received on redemption are considered a capital gain and investors with capital losses can offset the capital gain to eliminate capital gains tax, increase returns & lower the break-even (Table 3).

**TABLE 1: 2024 TAX SAVINGS & NET COST**

The Terra LP provides federal & provincial tax benefits including: (1) Canadian exploration expenses (CEE); (2) the federal 30% critical mineral exploration tax credit (CMETC) for critical mineral investments in cobalt, copper, graphite, lithium, nickel & uranium or (3) the federal 15% mineral exploration tax credit (METC) for precious metal investments in gold and silver; and (4) provincial tax incentives for exploration in BC, SK, MB, ON & QC, as determined by the share of investments made in each province.

Critical Minerals & Precious Metals: targeted investments	Gold, Copper, Silver	Lithium	Uranium	Gold, Nickel, Silver, Cobalt	Lithium, Gold, Graphite	Gold
Investments by province - %	30%	-	10%	30%	30%	-
	BC	AB	SK	ON	QC	NS
<b>A. Investment</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>
B. CEE & other tax deductions - 2024	\$968	\$968	\$968	\$968	\$968	\$968
C. Tax Rate <sup>1</sup>	53.5%	48%	47.5%	53.53%	53.31%	54%
D. CEE & other tax savings ( B x C )	\$518	\$465	\$460	\$518	\$516	\$523
E. Federal CMETC tax credit <sup>2</sup>	127	135	131	133	135	135
F. Federal METC tax credit <sup>2</sup>	63	68	65	66	68	68
G. Provincial tax credit /tax savings <sup>2</sup>	54	-	27	14	14	-
<b>H. Tax Savings - 2024 ( D + E + F + G )</b>	<b>\$762</b>	<b>\$667</b>	<b>\$683</b>	<b>\$731</b>	<b>\$732</b>	<b>\$725</b>
I. Tax credit income inclusion - 2025 <sup>3</sup>	(131)	(97)	(106)	(114)	(56)	(109)
J. Other tax savings - 2025 - 2028	64	57	57	64	63	65
K. Net Tax Savings ( H + I + J )	695	627	634	681	740	680
<b>L. Net Cost / Money at-risk ( A + K )</b>	<b>\$305</b>	<b>\$373</b>	<b>\$366</b>	<b>\$319</b>	<b>\$260</b>	<b>\$320</b>

<sup>1</sup> Highest marginal tax rates apply. <sup>2</sup> Assumes \$450 of flow-through investments qualify for the federal CMETC and \$450 of flow-through investments qualify for the federal METC. Provincial tax credits slightly reduce federal CMETC & METC tax credits. Provincial tax credits or tax deductions are determined by the share of investments made in each province and assumed to be: BC:30%; SK:10%; ON:30%; & QC:30%. <sup>3</sup> Tax credits are only available to individuals (except trusts) & taxable as income in 2025.

**TABLE 2: RATE OF RETURN**

Investors recoup the majority of their investment through tax savings (similar to a repayment of capital), which reduces the net cost. After-tax returns are attractive even with a NAV on redemption less than the initial investment because of the low net cost.

	BC	AB	SK	ON	QC	NS
A. NAV on Redemption <sup>4</sup>	\$800	\$800	\$800	\$800	\$800	\$800
B. Capital Gains Tax ( A x 50% inclusion x tax rate ) <sup>5</sup>	(214)	(192)	(190)	(214)	(213)	(216)
C. Net Cost / Money at-Risk ( L )	(305)	(373)	(366)	(319)	(260)	(320)
D. Cumulative Return - \$ ( A + B + C )	\$281	\$235	\$244	\$267	\$327	\$264
<b>E. After-Tax Rate of Return - % ( D / C x -1 ) <sup>6</sup></b>	<b>92%</b>	<b>63%</b>	<b>66%</b>	<b>84%</b>	<b>126%</b>	<b>83%</b>

<sup>4</sup> NAV on Redemption is estimated at 80% of the initial investment and subject to capital gains tax. <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. <sup>6</sup> After-Tax Rate of Return for each province is equal to the Cumulative Return divided by Net Cost / Money at-Risk.

**TABLE 3: BREAK-EVEN NAV**

The "break-even NAV" is the net asset value required on redemption such that, after paying capital gains tax and deducting the net cost of the investment, the investor makes neither a profit nor a loss. If capital losses are available to offset the capital gain in full, no capital gains tax is owing on redemption and the breakeven NAV for the investment is equal to its net cost.

	BC	AB	SK	ON	QC	NS
<b>A. Break-even NAV required on redemption <sup>6</sup></b>	<b>\$416</b>	<b>\$491</b>	<b>\$480</b>	<b>\$436</b>	<b>\$354</b>	<b>\$438</b>
B. Capital gains tax ( A x 50% inclusion x tax rate ) <sup>7</sup>	(111)	(118)	(114)	(117)	(94)	(118)
C. Net Cost / Capital at-Risk ( L )	(305)	(373)	(366)	(319)	(260)	(320)
D. Profit / Loss ( A + B + C )	\$0	\$0	\$0	\$0	\$0	\$0

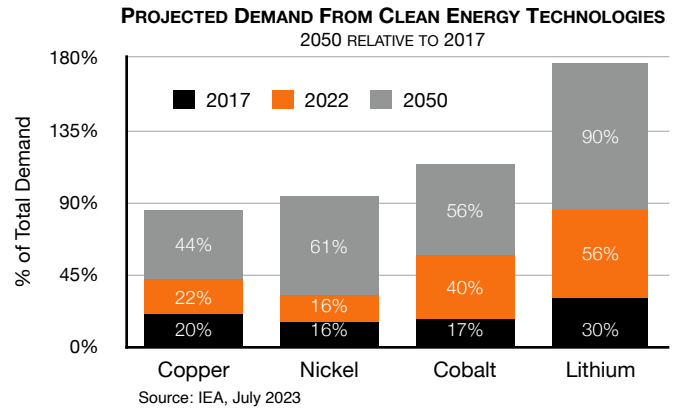
<sup>6</sup> Assumes adjusted cost base is zero and highest marginal tax rates apply. <sup>7</sup> Capital gains inclusion rate for individuals is 50% on the first \$250,000 of annual gains and 66.7% of annual gains over \$250,000.

Investors should refer to the Offering Memorandum for a more detailed description. 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 and are subject to alternative minimum tax including federal AMT of 20.5% in 2024 and beyond. Tax rates & capital gains inclusion are subject to change.

# WHY CRITICAL MINERAL & GOLD MINERS ARE ATTRACTIVE INVESTMENTS

## Growing Critical Mineral Demand

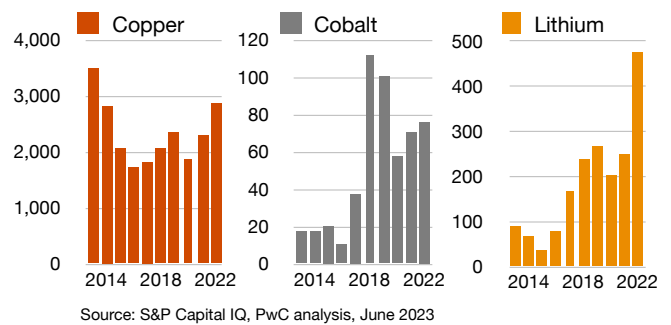
Transitioning to the clean energy economy will be as reliant on natural resources as our current economy. Instead of oil, coal and natural gas, we'll need lithium, nickel, cobalt and manganese for Elective Vehicle's (EV's) and battery storage... and copper for just about everything. According to the International Energy Agency (IEA), lithium is projected to see the fastest growth, followed by cobalt, nickel and copper (see graph). In 2022, the share of clean energy applications in total demand reached 56% for lithium and 40% for cobalt, up from 30% and 17% respectively in 2017. The market size of key energy transition minerals – copper, lithium, nickel, cobalt and graphite – also doubled over 5 years, reaching USD 320 billion in 2022.



## Increasing Emphasis on Discovery

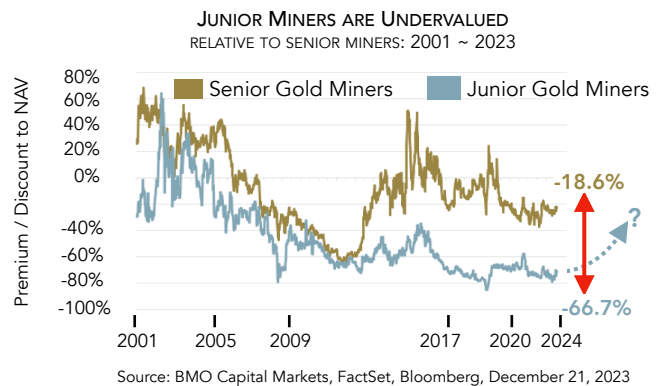
Over the past decade, lower commodity prices and limited access to capital have curtailed resource exploration and development. New mines often take decades to achieve commercial production. The International Energy Agency (IEA) forecasts that soaring EV battery demand will require 50 new lithium projects, 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 )



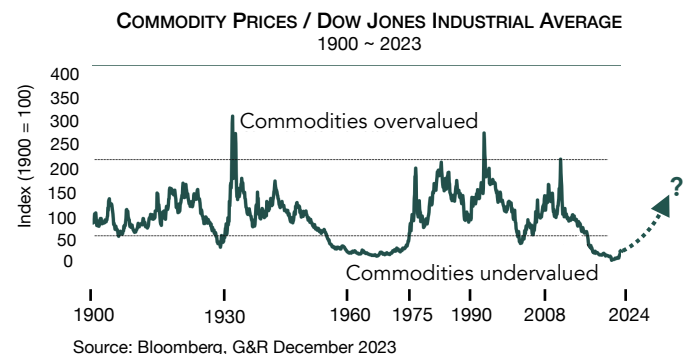
## Gold Mining Stocks are Undervalued

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. Exploration and development gold mining companies currently trade at extreme discounts to senior gold miners (see graph). Junior gold mining stocks 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.



## 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.



## HOW WE BUILD PORTFOLIOS

We actively invest in a diversified portfolio of 25 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.

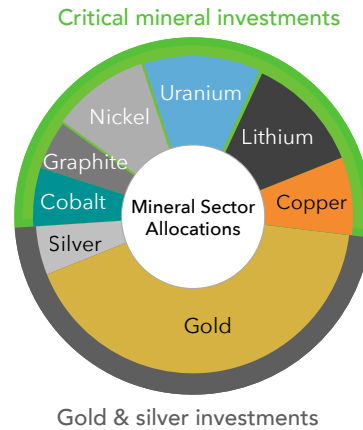
## EARLY ROLLOVER / MATURITY

Terra's targeted rollover is 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 FTLR Rollovers Sept 2025 to July 2026
-----------------------------	--

## MINING SUPER FLOW-THROUGH ALLOCATION

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



## 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										

## PAST TERRA SHORT-TERM FLOW-THROUGH LP INVESTMENTS:



## OFFERING SUMMARY

Refer to the offering memorandum for more detailed information.

<b>ISSUER</b>	Terra 2024 Short-Term Flow-Through Limited Partnership																		
<b>FUNDSERV CODES</b>	FE: <b>TER 324</b> (A Class), NL: <b>TER 424</b> (F Class)																		
<b>FORM OF ISSUE</b>	Tax-advantaged limited partnership units.																		
<b>ISSUE SIZE</b>	Maximum \$60,000,000 (600,000 Units).																		
<b>PRICE PER UNIT</b>	\$100																		
<b>MINIMUM PURCHASE</b>	\$5,000 (50 Units). Incremental purchases in multiples of \$500.																		
<b>WHO CAN PURCHASE</b>	<b>Accredited Investors</b> ( All provinces) & <b>Eligible Investors</b> ( Provinces of BC, AB ) and an investor who is not an individual and purchases not less than \$150,000.																		
<b>USE OF PROCEEDS</b>	The LP will invest in a portfolio of critical mineral & precious metals flow-through mining shares.																		
<b>EARLY ROLLOVER</b>	Target date is <b>June 2025</b> or earlier.																		
<b>INVESTMENT GUIDELINES</b>	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.																		
	<table><thead><tr><th><b>DESCRIPTION</b></th><th><b>INVESTMENT GUIDELINES</b></th></tr></thead><tbody><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></tbody></table>	<b>DESCRIPTION</b>	<b>INVESTMENT GUIDELINES</b>	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
<b>DESCRIPTION</b>	<b>INVESTMENT GUIDELINES</b>																		
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																		
<b>LEGAL &amp; TAX COUNSEL</b>	Stikeman Elliott LLP																		
<b>AUDITORS</b>	KPMG LLP, Chartered Professional Accountants																		
<b>CUSTODIAN</b>	Canadian Western Trust Company																		
<b>MANAGEMENT FEE</b>	The Investment Fund Manager will be entitled to an annual management fee equal to 2%.																		
<b>PERFORMANCE BONUS</b>	Performance bonus is 20% of any gain over the starting \$100 per Unit value on rollover.																		
<b>RRSP &amp; TFSA ELIGIBILITY</b>	The Mutual Fund Shares received on rollover of the LP may be contributed to RRSPs and TFSAs or donated to charity.																		
<b>CLOSINGS</b>	<b>Monthly</b> , subject to availability.																		



**2005**

Terra launches first Flow-Through LP

**2009**

Terra introduces early rollover

**2010**

Terra offers no-load units

**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 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. Founded in 1998 in Vancouver, Cypress is a boutique money manager made up of an eight-member team of investment professionals managing over \$4.5 billion in assets for institutional and private clients. Brad Bay, CFA is portfolio manager for the Terra 2024 Short-Term Flow-Through LP and a member of the investment team at Cypress. He was co-manager of the Terra 2019 to Terra 2022 and portfolio manager of the Terra 2023 Short-Term Flow-Through Limited Partnerships. He is also 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 MEMBERS**

**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

This document is a summary only and must be read in conjunction with the Offering Memorandum. This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the offering memorandum, especially the risk factors relating to the securities offered, before making an investment decision. By acceptance hereof, the reader agrees that they will not transmit, reproduce or make available this summary or any information contained herein to the public or press. Securities legislation in all provinces and territories prohibit such distribution. The information contained herein, while obtained from sources that are believed to be reliable, is not guaranteed as to accuracy or completeness. Actual tax deductions & tax credits may be more or less. This summary is for information purposes only and does not constitute an offer to sell nor a solicitation to buy the securities referred to herein. Investors must receive a confidential Offering Memorandum prior to subscribing for Units. Last update: April 18, 2024