

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 ¹	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 & Provincial Tax Credits ²	\$2,444	\$2,025	\$2,130	\$2,164	\$2,025
	F. 2024 Tax Savings $D + E$	\$7,473	\$6,537	\$7,161	\$7,175	\$7,101

TABLE 2: NET COST

Income tax savings received from the Terra LP are similar to a repayment of capital because they reduce the net cost of the investment.

		BC	AB	ON	QC	NS
	A. Terra LP Investment	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
	B. 2024 Tax Savings ¹ <i>Table 1</i>	\$7,473	\$6,537	\$7,161	\$7,175	\$7,101
Cost	C. Tax credit income inclusion in 2025 ²	(\$1,307)	(\$972)	(\$1,140)	(\$923)	(\$1,094)
	D. Additional tax savings: 2025 - 2028 ³	\$786	\$706	\$787	\$784	\$794
	E. Net Cost / Money at-risk $A + B + C + D$	(\$3,048)	(\$3,729)	(\$3,192)	(\$2,964)	(\$3,199)

TABLE 3: INVESTMENT RETURN

Returns are driven primarily by the performance of the investment portfolio and enhanced by the tax savings, which lowers the net cost. The illustration shows the return is very attractive even if the NAV on redemption is less than the initial \$10,000 investment.

		BC	AB	ON	QC	NS
	NAV - % investment	80%	80%	80%	80%	80%
Sell	A. NAV on redemption /sale proceeds - \$ ⁴	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
	B. Capital gains tax ⁵ $A \times 50\% \times \text{tax rate}$	(\$2,140)	(\$1,920)	(\$2,141)	(\$1,823)	(\$2,160)
	C. Net Cost / Money at-risk <i>Table 2</i>	(\$3,048)	(\$3,729)	(\$3,192)	(\$2,964)	(\$3,199)
Return	D. After-Tax Return - \$ $A + B + C$	\$2,812	\$2,351	\$2,667	\$3,212	\$2,641
	E. After-Tax Return - % $D / (C \times -1)$	92%	63%	84%	108%	83%

TABLE 4: 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 / Money at-risk <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 ⁵ $B \times 50\% \times \text{tax rate}$	(\$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

¹ Assumes highest marginal tax rates apply. ² Tax credits provided by flow-through investments are only available to individuals (except trusts) & taxable as income in 2025. ³ Maximum between 2025 & 2028. ⁴ NAV on redemption is a hypothetical illustration showing how returns are calculated, is not guaranteed and assumes the 50% capital gains inclusion rate applies. ⁵ 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. 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. 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.



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