

Terra 2025 Short-Term Flow-Through LP



A Tax-Advantaged Investment Redeemable July 2026

Investment Overview ■ Individuals - Multiple Provinces

Substantial Tax Savings + Investment Upside

For a \$10,000 investment, individuals save up to \$7,612 in 2025 taxes and receive an actively managed investment seeking higher potential returns.

Flow-Through Share Overview

Flow-through shares are common shares issued by mining resource firms to fund mineral exploration & development in Canada, including minerals required for the EV and clean energy transition. Mining firms transfer or “flow-through” the exploration expenses to investors who claim them as a tax deduction. Flow-through shares are a government endorsed tax incentive, similar to RRSPs and have been available to individuals since 1983.

Who should consider a Terra LP?

Individuals with (1) a high salary or bonus in 2025 tax year; (2) large capital gains; (3) stock option income; (4) large retirement/pension payout or individuals looking to (5) reclaim taxes paid between 2022 and 2024; (6) utilize realized capital losses; or (7) donate.

Private corporations and personal holding companies (CCPCs) taxed at high rates may invest in a Terra LP, as may shareholders to shelter income paid to them by a corporation.

Contact your financial advisor to learn more about Terra and the investment and tax benefits provided.

Why Terra?

Terra was founded in 2005 and has a 20-year track record, investing in more than 750 flow-through issues. The average after-tax return is between 33% & 61% depending on the province for 10 prior Terra LPs issued between 2015 and 2024*

Terra LP Investment Overview

Terra finances exploration in the gold & critical mineral sectors with its flow-through limited partnerships. A highly experienced portfolio management team sources 35+ mining investments with strong potential at attractive valuations. Terra LPs provide investors access to attractive tax deductions and tax credits plus portfolio diversification and professional management.

Flexible Options

Tax-deferred rollover to a corporate class Terra Mutual Fund on or about June 2026 provides flexible options to: (1) redeem for cash; (2) remain invested to defer taxes and participate in future potential upside; (3) reinvest in a new Terra LP to compound tax savings; (4) utilize available capital losses; or (5) donate for additional tax savings.

Closings

Feb 14 & 28, March 14 & 31 & April 30, subject to availability
FUNDSEV CODES: FE: TER 325; NL: TER 425

*On rollover or Dec 31, 2024. Past performance does not guarantee future results.

How It Works

Today	2025	March 2026	June 2026	June / July 2026
Step 1 Investor subscribes for units in Terra LP	Step 2 Terra LP invests in a diversified portfolio of gold & critical mineral flow-through shares	Step 3 - Tax Savings Investor receives substantial 2025 tax savings	Step 4 - Rollover Terra LP transfers assets tax-free to Terra Mutual Fund with flexible options	Step 5 - Options <ul style="list-style-type: none"> • Redeem for cash • Retain & stay invested in gold & critical minerals • Reinvest for more tax savings • Utilize capital losses • Donate or fund a DAF
Terra 2025 Short-Term Flow-Through LP (Terra LP)			Tax-free exchange	Terra Mutual Funds Ltd.

Step 3: 2025 Tax Savings - Multiple Provinces

\$10,000 investment - Class F

The Terra 2025 Short-Term Flow-Through LP provides substantial tax deductions and tax credits that reduce 2025 income tax.

		BC	AB	ON	QC	NS
Invest	A. Terra LP Investment	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
	B. Canadian exploration expenses & other	\$9,660	\$9,660	\$9,660	\$9,660	\$9,660
	C. Tax Rate - Individual ¹	53.5%	48%	53.53%	53.31%	54%
Tax Savings	D. Tax Savings - CEE & Other $B \times C$	\$5,168	\$4,637	\$5,171	\$5,150	\$5,216
	E. Federal Tax Credits ²	\$1,904	\$2,025	\$1,995	\$2,025	\$2,025
	F. Provincial Tax Credits / QC Tax Savings ²	\$540	-	\$135	\$139	-
	G. 2025 Tax Savings $D + E + F$	\$7,612	\$6,662	\$7,301	\$7,314	\$7,241

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 2026.

Terra 2025 Short-Term Flow-Through LP

Individuals - Multiple Provinces

Step 4: Rollover

The liquidity event or rollover is targeted for **June 2026**. On rollover, the Terra LP automatically transfers its assets on a tax-deferred basis for shares of the Terra Small Cap Growth Fund, which investors can redeem for cash, retain to defer capital gains taxes and participate in future potential upside in the Fund, reinvest in a new Terra LP to compound tax savings or donate for additional tax savings.

Step 5: Investment Return Scenarios

\$10,000 investment - Class F

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 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. 2025 Tax Savings ¹ <i>Step 3</i>	\$7,612	\$6,662	\$7,301	\$7,314	\$7,241
	C. Tax credit income inclusion in 2026 ²	(\$1,307)	(\$972)	(\$1,140)	(\$923)	(\$1,094)
	D. Additional tax savings: 2026 - 2029 ³	\$637	\$571	\$637	\$634	\$643
	E. Net Cost / Cash Outlay <i>A + B + C + D</i>	(\$3,059)	(\$3,739)	(\$3,202)	(\$2,975)	(\$3,210)
Cash In: Redeem Investment	F. NAV on redemption in 2026 - \$ ⁴	\$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 ⁵ <i>F x 50% inclusion rate x G</i>	(\$2,140)	(\$1,920)	(\$2,141)	(\$1,823)	(\$2,160)
	I. Net Cash Received <i>F + H</i>	\$5,861	\$6,080	\$5,859	\$6,177	\$5,841
Return	J. After-Tax Return - \$ <i>E + I</i>	\$2,802	\$2,341	\$2,657	\$3,202	\$2,631
	K. Net Cost / Cash Outlay <i>E</i>	\$3,059	\$3,739	\$3,202	\$2,975	\$3,210
	L. After-Tax Return - % <i>J / K</i>	92%	63%	83%	108%	82%

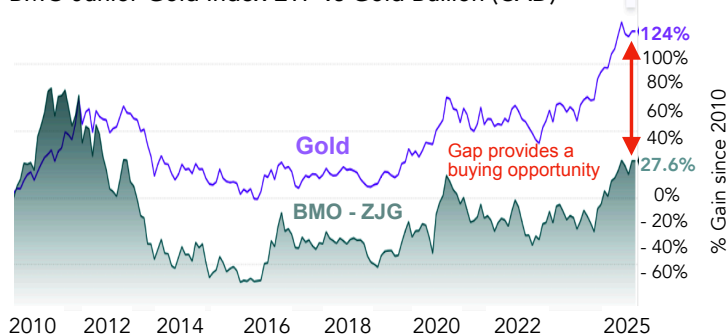
¹ Assumes highest marginal tax rates apply. Income tax savings are similar to a repayment of capital because they reduce the net cost of the investment. ² Tax credits provided by flow-through share investments are only available to individuals (except trusts) & taxable as income in 2026. ³ Maximum between 2026 & 2029. ⁴ NAV on redemption is a hypothetical illustration showing how returns are calculated, is not guaranteed, assumes ACB is zero and 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. 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 2022 and 2024 by acquiring excess CEE deductions this year to create a non-capital loss in 2025, which can be carried back up to 3 years or carried forward to 2026 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)

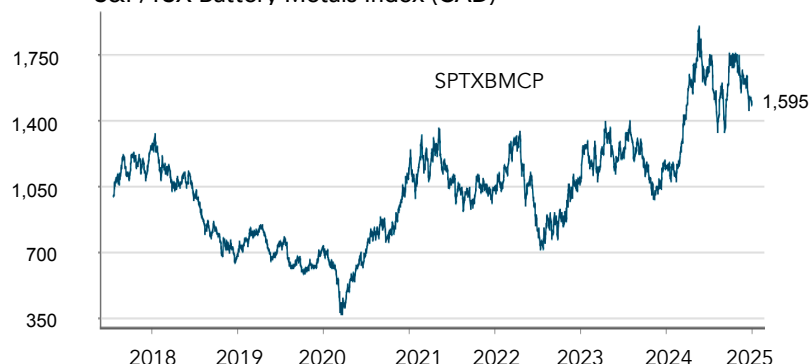


Source: BMO, TSX, January, 8 2025

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)



Source: S&P Global, TSX January 8, 2025



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