

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

The Terra 2025 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: 2025 TAX SAVINGS

The Terra 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. CEE & Other Deductions	\$9,380	\$9,380	\$9,380	\$9,380	\$9,380
	C. Tax Rate - Individual ¹	53.5%	48%	53.53%	53.31%	54%
Tax Savings	D. Tax Savings - CEE & Other $B \times C$	\$5,018	\$4,502	\$5,021	\$5,000	\$5,065
	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 $D + E + F$	\$7,462	\$6,527	\$7,151	\$7,165	\$7,090

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. 2025 Tax Savings ¹ <i>Table 1: row G</i>	\$7,462	\$6,527	\$7,151	\$7,165	\$7,090
	C. Tax credit income inclusion in 2026 ²	(\$1,307)	(\$972)	(\$1,140)	(\$923)	(\$1,094)
	D. Additional tax savings: 2026 - 2029 ³	\$786	\$706	\$787	\$784	\$794
	E. Net Cost / Cash Outlay $A + B + C + D$	(\$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 $F \times 50\% \times \text{tax rate}$	(\$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 - \$ $E + I$	\$2,802	\$2,341	\$2,657	\$3,202	\$2,631
	K. Net Cost / Cash Outlay E	\$3,059	\$3,739	\$3,202	\$2,975	\$3,210
	L. After-Tax Return - % J / K	92%	63%	83%	108%	82%

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: row E</i>	(\$3,059)	(\$3,739)	(\$3,202)	(\$2,975)	(\$3,210)
	B. NAV required to break-even	\$4,176	\$4,920	\$4,373	\$4,056	\$4,397
	C. Capital gains tax ⁵ $B \times 50\% \times \text{tax rate}$	(\$1,117)	(\$1,181)	(\$1,170)	(\$1,081)	(\$1,187)
	D. Net Proceeds $B + C = A$	\$3,059	\$3,739	\$3,202	\$2,975	\$3,210

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 and assumes the 50% capital gains inclusion rate applies on redemption. ⁵ Capital gains inclusion rate for individuals is 50% on the first \$250,000 of annual net gains and currently 66.7% of annual net 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.



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