



**“Did you earn \$1MM+ in income last year?
Want to pay less tax in 2023?”**

Exclusive webinar hosted by Stenner Wealth Partners+ and presented
by Terra Fund Management / Cypress Capital Management

May 23, 2023

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Terra 2023 Short-Term Flow-Through LP

June 2024 Rollover

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BIOGRAPHIES



Thane Stenner - Stenner Wealth Partners +

Thane Stenner, CIM®, FCSI®, Senior Portfolio Manager & Senior Wealth Advisor at Stenner Wealth Partners+ of CG Wealth Management. Thane was previously the Managing Director, International Client Advisor, Institutional Consulting Director, and Alternative Investments Director at Morgan Stanley Wealth Management. He is an award-winning host of the BNN Bloomberg Brand Studio Podcast: SmartWealth™ with Thane Stenner and an international best-selling author of the book titled "True Wealth: An Expert Guide for High-Net-Worth Individuals (and Their Advisors)". Stenner Wealth Partners+ is an award-winning in person/virtual team of wealth specialists with a boutique approach and global perspective servicing Canadian and US investors/households with generally a minimum of 10M+ in investable assets or 25M+ net worth, whose clients' range of net worths are between \$25M To \$2.5B+. His team strategically takes on 6-8 clients per year. They may be reached at their website at www.StennerWealthPartners.com, North America Toll-Free Phone at 1 833 STENNER (783 6637), or email SWP@cgf.com.



Brad Bay, CFA, Portfolio Manager - Cypress Capital Management.

Brad Bay, CFA is portfolio manager for the Partnership and 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. Brad has a particularly strong capability in the junior & intermediate resource sectors where the majority of flow-through investments occur. Brad joined Cypress in 2017 as an Analyst and was promoted to Portfolio Manager in 2019. He was co-manager of the Terra 2019, 2020, 2021 and 2022 Short-Term Flow-Through Limited Partnerships. Brad holds a B.Comm from the Haskayne School of Business at the University of Calgary and became a Chartered Financial Analyst charterholder in 2018.



John Jacobi - Terra Fund Management Ltd.

John Jacobi has been offering tax-advantaged products for over two decades. He is a director of Terra Flow-Through GP Management Ltd. and the President, CEO and a director of the Terra Flow-Through Limited Partnerships (from 2005 LPs to the current LP). John also serves as President of Terra Fund Management Ltd. and Linden Mills Investments Inc. Prior to 1993, John held a number of senior management positions with high technology start-ups. John has a B.Comm. from Queen's University and an MBA from the Ivey School of Business, University of Western Ontario.

EXECUTIVE SUMMARY

4 reasons to invest

1. Superior tax savings

Investing in undervalued junior mining companies has never been better with the recent introduction of a new 30% Critical Mineral Exploration Tax Credit (CMETC). The **combination of supercharged tax credits and favourable capital gains treatment** provides Terra investors exceptional value.

2. Expert portfolio management

Terra and Cypress' strategy is to invest in shares of publicly traded mining companies operating in Canada with good exploration potential in the gold, base & battery mineral and clean energy sectors. Investors can expect to receive an **actively managed** investment with a **low breakeven** and portfolio providing **considerable tax savings** and the potential for attractive **investment returns**.

3. Canadian mining firms have rarely been more attractively priced

Investing in Canadian junior mining companies has never been better with the growing importance of many metals, in particular, those for **battery technologies** (cobalt, copper, lithium, nickel, zinc) and **clean energy** (uranium). The first structural shortages of raw materials are now emerging. Growing demand for **gold** and underinvestment in developing mines means gold demand will likely exceed supply. Investments in **undervalued Canadian mining companies** with critical mineral and precious metal projects should provide for healthy future returns.

4. Proven track record

The portfolio manager has a particularly strong capability in the junior and intermediate resource sectors where the majority of flow-through investments occur. Since 2015, the historical **average after-tax return is 42%*** for 8 Terra LPs.

*After-tax return is for Class A units on rollover or April 30, 2023 and assumes the highest marginal tax rate for an Ontario investor. Past performance does not guarantee future results.

1

SUPERIOR TAX SAVINGS

With the introduction of the new 30% critical mineral exploration tax credit (CMETC), the tax savings provided by mining flow-through shares has never been better.

TAX BENEFITS HAVE INCREASED FOR INDIVIDUALS

The need to develop new mineral supplies for battery technologies & clean energy recently led to the introduction of the **new 30% Critical Mineral Exploration Tax Credit (CMETC)** in the April 2022 Federal Budget. The new CMETC allows investors to further reduce their taxes.

TERRA FLOW-THROUGH LP: 3 SOURCES OF TAX SAVINGS

\$500,000 INVESTMENT

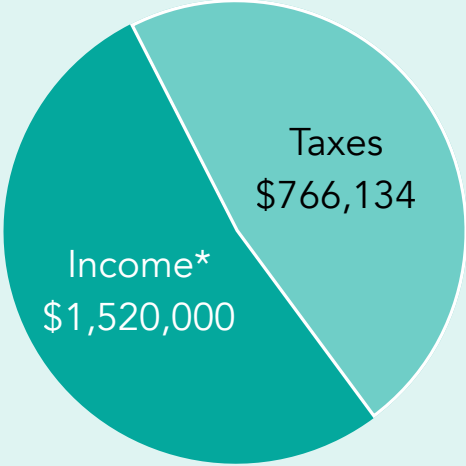
New →

| Type | \$ Amount |
|---------------------------|-----------|
| CMETC 30% | \$67,500 |
| METC 15% | \$33,750 |
| CEE & Other Deductions | \$543,750 |

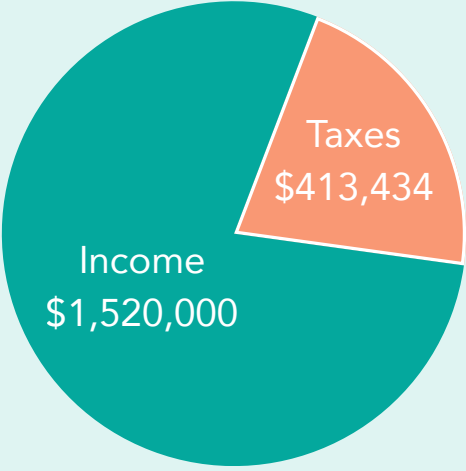
2023 TAXES PAYABLE: INDIVIDUALS

\$500,000 INVESTMENT

2023 Taxes owing
No Terra LP



2023 Taxes owing
with Terra LP

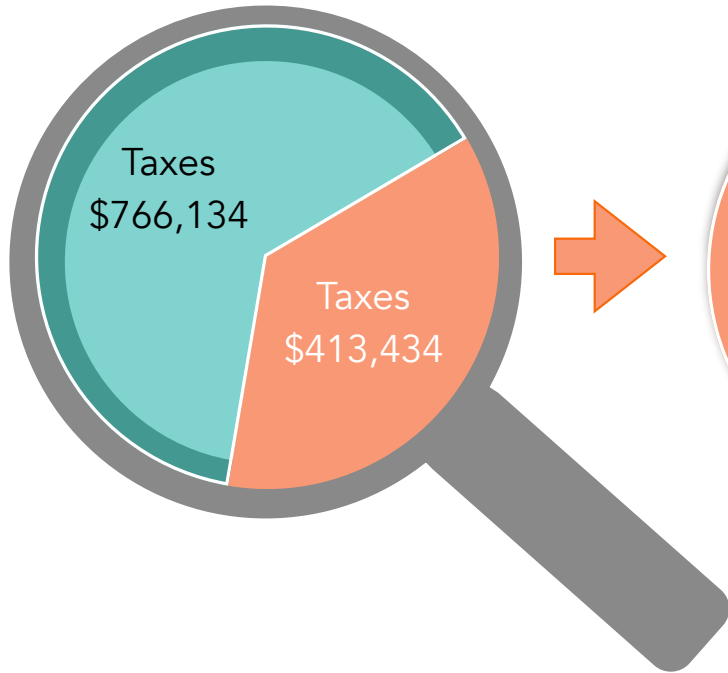


* Net taxable income

2023 TAX SAVINGS: INDIVIDUALS

BREAKDOWN ON \$500,000 INVESTMENT

2023 Taxes
No Terra vs Terra LP

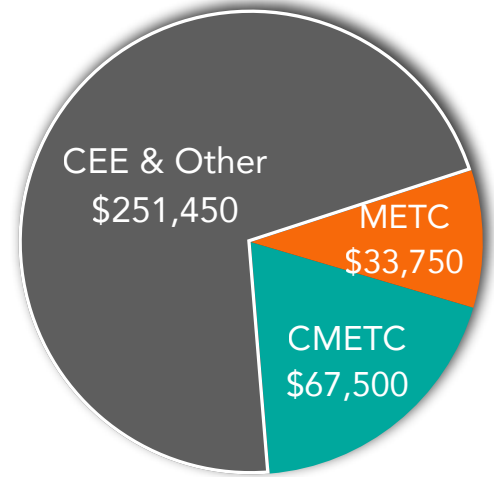


2023 Tax Savings
with Terra LP



=




2023 Tax Savings
Components



TAX SAVINGS - INDIVIDUALS

Financial Aspects For Investors - per \$500,000 investment

A Terra Short-Term Flow-Through LP provides substantial tax savings to individuals on their personal income.

| Investment | \$500,000 | | |
|--|------------------|--------------------------|-----------------|
| | 2023 | 2024 | 2025 - 2027 |
| | Investment Yr | Rollover Yr ¹ | Post Rollover |
| A. CEE & Other Deductions | \$470,000 | \$51,750 | \$22,000 |
| B. Tax Rate ² | 53.5% | 53.5% | 53.5% |
|  C. Tax Savings - CEE & Other (A x B) | \$251,450 | \$27,686 | \$11,770 |
|  D. Tax Savings - METC ³ | \$33,750 | (\$18,056) | - |
|  E. Tax Savings - CMETC ³ | \$67,500 | (\$36,113) | - |
| Annual Tax Savings (C + D + E) | \$352,700 | (\$26,483) | \$11,770 |
| Cumulative Tax Savings ⁴ | \$352,700 | \$326,218 | \$337,988 |

¹ Rollover for Class A units is targeted for June 2024. ² Maximum marginal tax rate will vary by province.

³ Assumes 50% of investments qualify for METC, the 15% Mineral Exploration Tax Credit & 50% of investments qualify for CMETC, the 30% Critical Mineral Exploration Tax Credit. Tax credits are only available to individuals & taxable as income in 2024. Additional provincial tax credits or deductions on qualified investments are available to Investors in BC, SK, MB, ON & QC.

⁴ Cumulative tax savings vary by marginal tax rates for each province. Class A units pay an agency placement fee of up to 5.75%.

CASH FLOW & RATE OF RETURN - INDIVIDUALS

On redemption, proceeds are taxed as a capital gain

| | 2023 Investment Yr | 2024 Rollover Yr ¹ | 2025 - 2027 Post Rollover |
|---|-----------------------|----------------------------------|------------------------------|
| Investment | (\$500,000) | - | - |
| Annual Tax Savings ⁵ | \$352,700 | (\$26,483) | \$11,770 |
| NAV on Redemption ⁶ | - | \$400,000 | - |
| Capital Gains Tax on Redemption ⁷ | - | (\$107,000) | - |
| Cash Flow - \$ | (\$147,300) | \$266,518 | \$11,770 |
| Cumulative Return - \$ | (\$147,300) | \$119,218 | \$130,988 |
| Rate of Return - % ⁸ | | 80.9% | |

⁵ See Tax Savings table above. ⁶ NAV on Redemption is estimated at 80% of the initial investment for \$500,000 and is subject to capital gains tax.

⁷ On redemption, the proceeds received are considered a capital gain, of which 50% is taxable. If an investor has available capital losses equal to the redemption amount, then the capital gain is zero and no capital gains tax is owing.

⁸ Rate of Return for 80.9% on rollover is calculated as the total Cumulative Return for \$119,218 divided by the Capital at Risk in year 1 for \$147,300

BREAK-EVEN ANALYSIS: \$500,000 INVESTMENT

Investors recoup the majority of their investment through tax savings, which reduces their investment cost (i.e. capital at-risk), similar to a repayment of capital. The “break-even value” is the amount required on redemption (\$221,177) such that, after paying capital gains tax (\$59,165), the **investor recoups the balance of their investment** (\$162,013) making neither a profit nor a loss.

| | | |
|---|--------------------|------------|
| Tax rate | 53.5% | |
| A. Investment | (\$500,000) | 100% |
| B. Tax Savings - 2023 | \$352,700 | |
| C. Tax Savings - 2024 to 2027 | (\$14,713) | |
| D. Capital at-Risk (A + B + C) | (\$162,013) | |
| E. Break-even value (required on redemption) | \$221,177 | 44% |
| F. Capital gains tax on Break-even value ^{1,2} | (\$59,165) | |
| G. Capital at-Risk | (\$162,013) | |
| Profit / Loss (E + F + G) | (\$0) | |

¹ Assumes marginal tax rate is 53.5%.

² If capital losses are available to eliminate the capital gains tax on redemption, the breakeven value declines from \$221,177 to \$162,013 or 32% of the initial investment..

RECOMMENDED INVESTMENT BY INCOME - INDIVIDUALS & 2023 TAX SAVINGS BY PROVINCE

| Net Taxable Income | Recommended Investment | 2023 Tax Savings | | | |
|--------------------|------------------------|------------------|------------------|------------------|------------------|
| | | BC | AB | ON | QC |
| \$500,000 | \$142,000 | \$100,167 | \$92,825 | \$100,207 | \$99,913 |
| \$600,000 | \$177,000 | \$124,856 | \$115,705 | \$124,906 | \$124,540 |
| \$700,000 | \$212,000 | \$149,545 | \$138,584 | \$149,605 | \$149,166 |
| \$800,000 | \$247,000 | \$174,234 | \$161,464 | \$174,303 | \$173,793 |
| \$900,000 | \$282,000 | \$198,923 | \$184,343 | \$199,002 | \$198,419 |
| \$1,000,000 | \$317,000 | \$223,612 | \$207,223 | \$223,701 | \$223,046 |
| \$1,520,000 | \$500,000 | \$352,700 | \$326,850 | \$352,841 | \$351,807 |
| \$2,000,000 | \$669,000 | \$471,913 | \$437,325 | \$472,101 | \$470,718 |
| \$2,943,000 | \$1,000,000 | \$705,400 | \$653,700 | \$705,682 | \$703,614 |
| \$3,000,000 | \$1,020,000 | \$719,508 | \$666,774 | \$719,796 | \$717,686 |
| \$4,000,000 | \$1,371,000 | \$967,103 | \$896,223 | \$967,490 | \$964,655 |
| \$5,000,000 | \$1,722,000 | \$1,214,699 | \$1,125,671 | \$1,215,184 | \$1,211,623 |
| \$10,000,000 | \$3,477,000 | \$2,452,676 | \$2,272,915 | \$2,453,656 | \$2,446,466 |

Recommended investment amounts provide tax deductions without triggering the AMT threshold. AMT exemption amount (i.e., the amount of "adjusted taxable income" excluded from the AMT calculation) is currently \$40,000 and will increase to the lower threshold of the fourth tax bracket (currently \$165,431, but expected to rise to ~\$173,000 for 2024). Class A units pay an agency placement fee of up to 5.75%. Tax savings in 2023 assume highest marginal tax rate for each province.

CARRY-BACKS & CARRY-FORWARDS

Investment Tax Credits

Unused Investment Tax Credits (ITC), which you may be eligible for if you invest in a flow-through, can be **carried back 3 taxation years**.

Capital Losses

You can (but don't have to) carry back the net capital loss to any of the **3 preceding taxation years** to be deducted against taxable capital gains in those years. Net capital losses can also be carried forward indefinitely. They can be used to offset taxable capital gains (in part or in full) in future years, but there is no requirement to use them when capital gains arise.

Alternative Minimum Tax

AMT paid in one taxation year can be used over the next **7 years** to reduce the portion of your regular federal tax liability that is over the AMT amount calculated for that future year, until it is used up. There is no carryback permitted to prior years

CEE Expenses

Unused Canadian Exploration Expenses (CEE) go into a pool called cumulative CEE (CCEE). You can deduct up to 100% of the CCEE pool in future years until they are fully used.

PROPOSED CHANGES TO AMT

The following table compares the existing AMT, proposed AMT and regular income tax calculations

| | Existing AMT | Proposed AMT | Regular Tax Calculation |
|---|-----------------|------------------|-------------------------------|
| Carry-forward | 7 years | 7 years | - |
| AMT tax rate | 15% | 20.5% | - |
| Basic AMT Exemption ¹ | \$40,000 | \$173,000 | - |
| Capital Gains included | 80% | 100% | 50% |
| Employee Stock Options | 50 -100% | 100% | 50-100% |
| Dividends | Cash value | Cash value | Grossed-up value of dividends |
| Dividend Tax Credit | None | None | None |
| Lifetime Capital Gains Exemption (LCGE) | 30% | 30% | 0% |
| Capital gains on Donation of public securities included | 0% | 30% | 0% |
| Donation tax credits for donated securities - % eligible | 100% | 50% | 100% |
| Deduction for many expenses - such as moving, child care, LP losses of other years, employment expenses (except those to earn commission income), CPP, etc. | 100% | 50% | 100% |
| Most non-refundable tax credits | 100% | 50% | 100% |
| Non-Refundable portion of Investment Tax Credits | AMT not reduced | AMT not reduced | 100% |
| Political Contribution Tax Credit, Labour Sponsored Venture Capital Corporations Credit | AMT not reduced | AMT not reduced | 100% |

Source: Federal 2023 Budget

¹ AMT exemption amount (i.e., the amount of “adjusted taxable income” excluded from the AMT calculation) will increase in 2024 from \$40,000 to the lower threshold of the fourth tax bracket (currently \$165,431, but expected to rise to ~\$173,000 for 2024).

2

EXPERT PORTFOLIO MANAGEMENT

The consistency of performance over time—including the ups and downs of market cycles are an important test of a manager's skill.

PAST PERFORMANCE - PER \$25 INITIAL INVESTMENT

Rolling returns provide an effective method for evaluating performance, especially during volatile periods. As shown in the table below, **3-year rolling returns have been consistent in offsetting an underperforming year.**

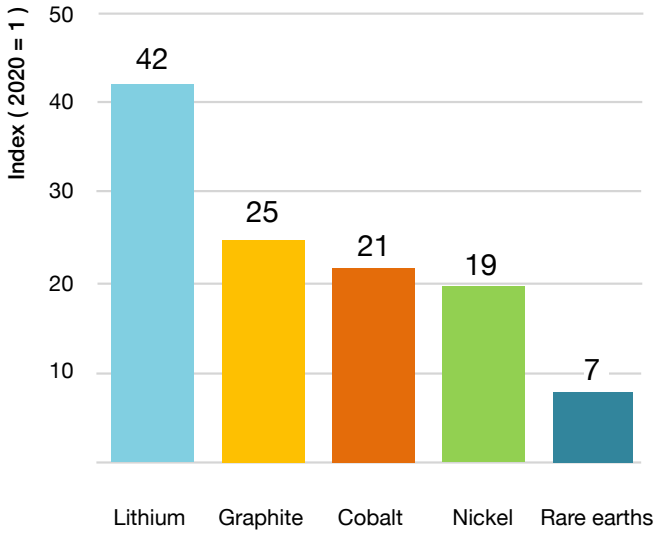
| Terra LP | Rollover Date | Months to Rollover | NAV | After-Tax Return | 3-Yr Rolling NAV | 3-Yr Rolling Return |
|-------------------|---------------|--------------------|----------------|------------------|------------------|---------------------|
| Terra 2022 | TBD | TBD | \$17.20 | 41% | \$18.29 | 43% |
| Terra 2021 | Sept 2022 | 9 months | \$12.22 | -5% | \$19.53 | 47% |
| Terra 2020 | April 2021 | 4 months | \$25.45 | 93% | \$21.53 | 57% |
| Terra 2019 | June 2020 | 6 months | \$20.91 | 52% | \$18.58 | 31% |
| Terra 2018 | April 2019 | 4 months | \$18.24 | 25% | \$17.49 | 21% |
| Terra 2017 | June 2018 | 6 months | \$16.59 | 17% | \$20.14 | 43% |
| Terra 2016 | June 2017 | 6 months | \$17.63 | 21% | \$17.59 | 25% |
| Terra 2015 | June 2016 | 6 months | \$26.21 | 91% | \$18.56 | 25% |
| Average | - | 5.9 months | \$19.31 | 42% | - | - |

After-tax returns are for Class A units on rollover or April 30, 2023 and assume the highest marginal tax rate for an Ontario investor. Months to rollover is from first fiscal year-end. Past performance does not guarantee future results.

THE ERA OF SCARCITY & GROWING MINERAL DEMAND HAS BEGUN

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 EV's (electric vehicles) and battery storage ... **and copper for just about everything**

EXPECTED GROWTH IN MINERAL DEMAND FOR CLEAN ENERGY 2040 RELATIVE TO 2020



4 key materials have the potential to stall EV penetration:

Lithium, nickel, cobalt, and copper

IEA, March 2022

WHAT IS HAPPENING IN CANADA?

GLOBAL EV DEMAND

A GENERATIONAL OPPORTUNITY FOR CANADIAN MINING

ANNOUNCEMENTS FROM MARCH 2022 TO MARCH 2023

May 03, 2022 07:04 AM

Automakers have promised \$13 billion in 8 weeks on EV retooling in Canada

'Now Canada will lead in the EV supply chain ... from the mines to the car to the recycling'

Mercedes-Benz and Volkswagen sign EV battery supply deal with Canada

Mercedes-Benz and Volkswagen aim to shorten supply chains for their U.S. operations and avoid difficulties linked to tariffs and tax regulations

August 23, 2022 04:16 PM

BASF Picks Canada to Expand Supplies for Booming EV Battery Market

By Reuters | March 4, 2022

March 23, 2022

Stellantis and LG Energy Solution to Invest Over \$5 Billion CAD in Joint Venture for First Large Scale Lithium-Ion Battery Production Plant in Canada

Volkswagen to build electric vehicle battery plant in Canada

March 13, 2023

GM, Posco to build \$500-million Canadian cathode active material factory in Quebec to supply Ultium battery factories

07 March 2022

Belgian battery company announces \$1.5-billion investment in Ontario

Battery supply chain plant near Kingston, Ont., getting significant government financial support

Gabriel Friedman
Jul 15, 2022 • July 13, 2022

AUGUST 15, 2022 | INDUSTRY NEWS

Giga Metals, Mitsubishi to jointly develop Turnagain nickel deposit in Canada

Hard Creek Nickel Corp is the joint venture created by Giga Metals and Mitsubishi to develop the Turnagain nickel deposit in northern B.C.

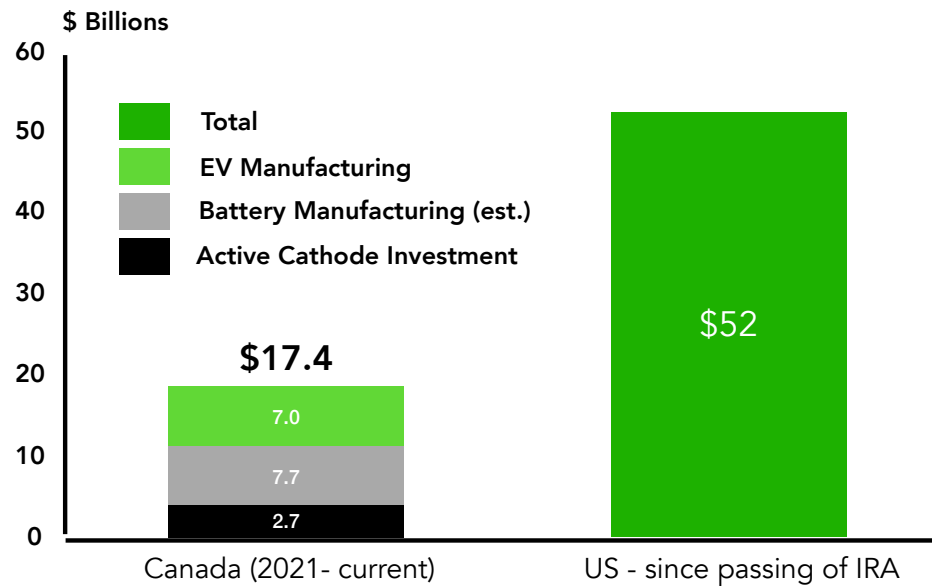
EV batteries

Ford Motor Co. pushes for faster critical mineral mine permitting

By RILEY BEGGIN The Detroit News Aug 31, 2022 Updated Aug 31, 2022

... IS ALREADY IMPACTING EV & BATTERY INVESTMENTS

CANADA & US ANNOUNCEMENTS: AUGUST 2022 TO MARCH 2023



- > **US: \$52 billion** in EV & battery investment announcements since August 2022
- > **Canada: \$17.4 billion** in EV & battery plant announcements since March 2022
- > **Canada ranked 2nd**, ahead of the U.S. and behind only China for battery supply chain by BloombergNEF.

Source: BloombergNET, TD Economics, IEA April 2023

BASE METALS

IMPORTANCE TO THE EV AND CLEAN ENERGY TRANSITION

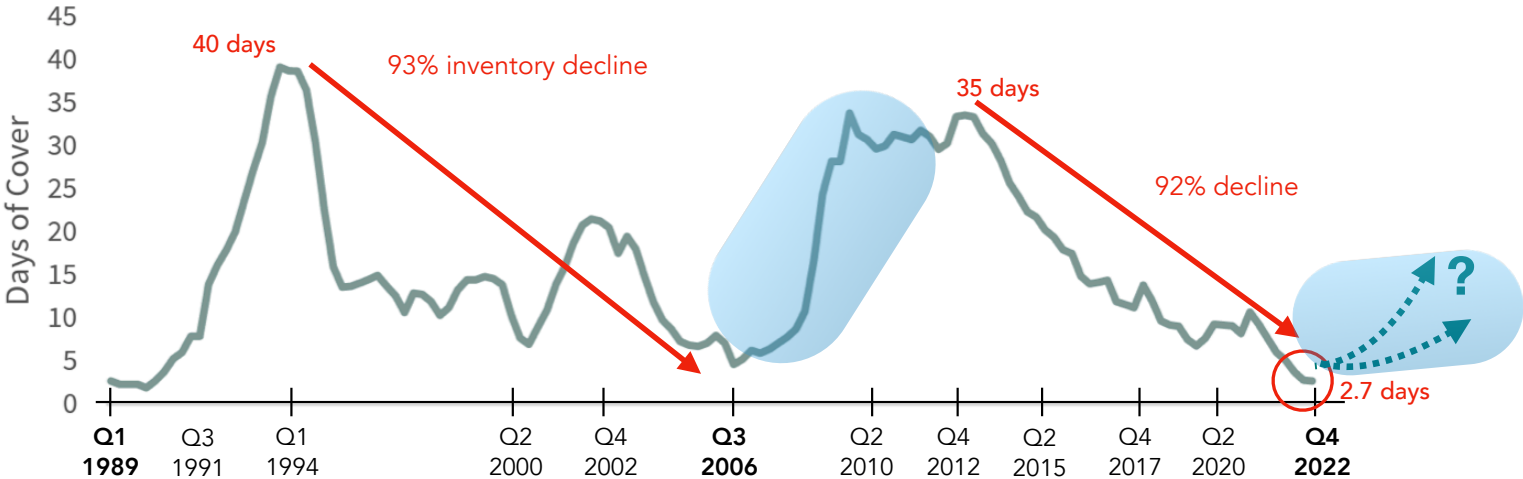
Common **base metals** include aluminum, **copper, cobalt**, iron, lead, **nickel** and zinc, which have a lower value. Refined forms of these metals are commonly traded on world markets. These are some of the basic building materials for much of the world around us.

The 4 key materials that have the potential to stall EV penetration are lithium, nickel, cobalt, and copper of which 3, being **copper, cobalt and nickel** are considered base metals.

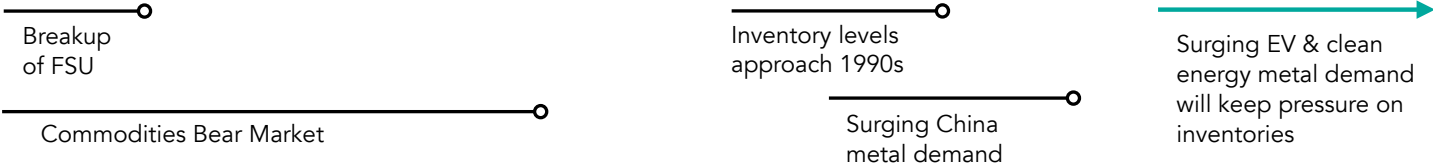
BASE METALS

INVENTORIES - DAYS OF COVER

LME, COMEX, SHANGHAI METALS EXCH.



Bloomberg, G&R, Feb 28, 2023

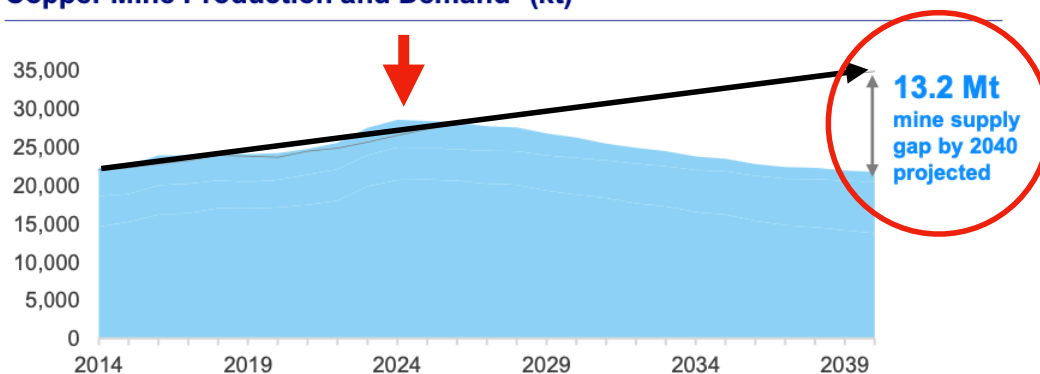


COPPER: STRUCTURAL DEFICIT LIKELY

Teck / Copper Mine Outlook

- Significant demand growth expected due to energy transition to renewables
- Supply expected to peak in 2024, given declining grades, protracted permitting timelines, and underinvestment
- Long-term projected deficit will require significant investment
- Mine production grew 7 Mt in the last 20 years, market needs to double in less than 17 years

Copper Mine Production and Demand¹ (kt)



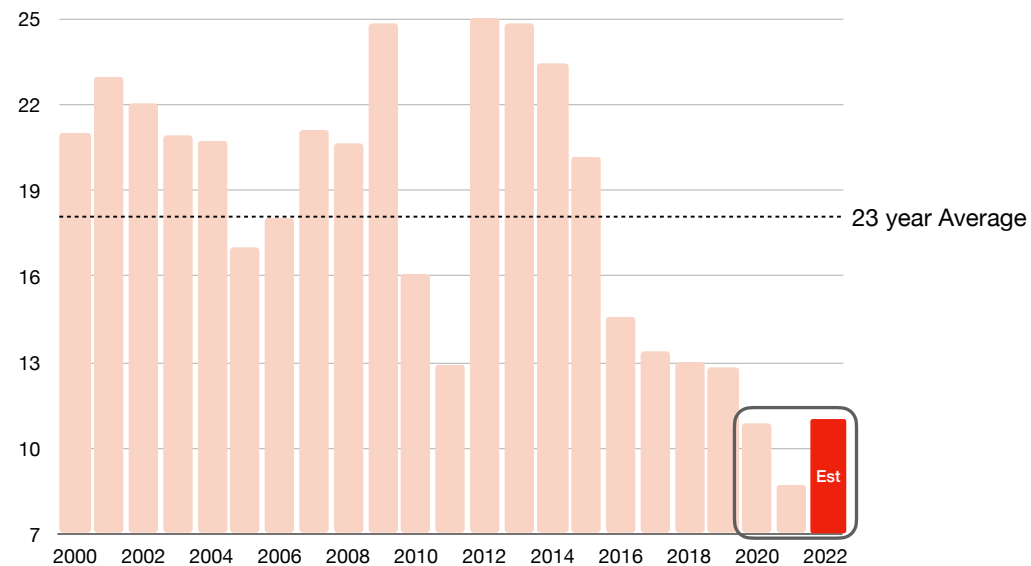
Source: Teck Nov 2022

LESS CAPEX IS BEING SPENT...

Despite higher commodity prices, there has been a **lack of Capex, particularly in 2020 thru 2022**. Mining companies have been hit by inflation on their Capex, rising operating expenses and still relatively low metal prices. The impact to the Net Present Value is not supportive of investment. **Lower NPVs, ESG pressures, longer permitting** times etc. have reduced investments to develop mines.

GLOBAL MINING UNDERINVESTS IN GROWTH

EXPANSION CAPITAL AS % OF GLOBAL MINING SECTOR EBITDA

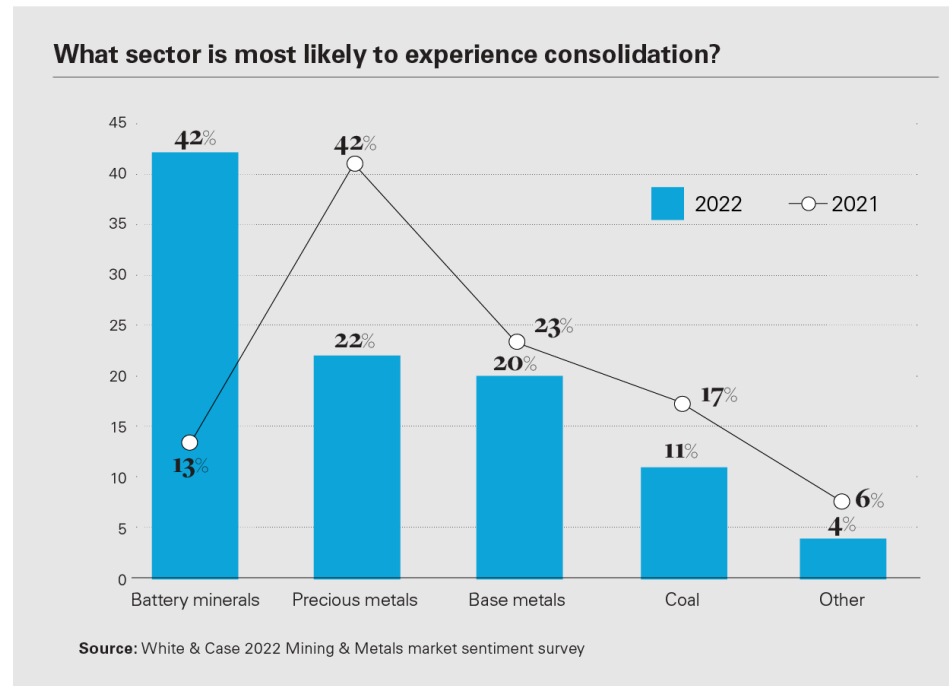


Source: BMO Capital Markets, McKinsey, Wood Mackenzie, March 2023

... WHICH INCREASES THE INCENTIVE TO BUY RATHER THAN DEVELOP

MINING SECTOR IS RIPE FOR M&A

Anglo American, South 32, Vale and BHP are among companies that have reduced fossil fuels from their portfolios, predominantly by way of spinoffs or trade sales. To replace those assets, miners are increasingly looking to take stakes in junior miners sitting on commodities such as copper, nickel and lithium.



3

CANADIAN JUNIOR MINING FIRMS HAVE RARELY BEEN MORE ATTRACTIVE

Canadian junior mining firms are cheap relative to the S&P 500 & TSX. The **combination** of **undervalued mining firms** and the new **30% critical mineral exploration tax credit** makes Canadian miners particularly attractive

COMMODITIES ARE UNDERVALUED RELATIVE TO THE S&P 500

Recently commodity prices have reached a 50 year low relative to overall equity markets. Historically, **lows in the ratio of commodities to equities** have corresponded with the **beginning of new commodity supercycles**.

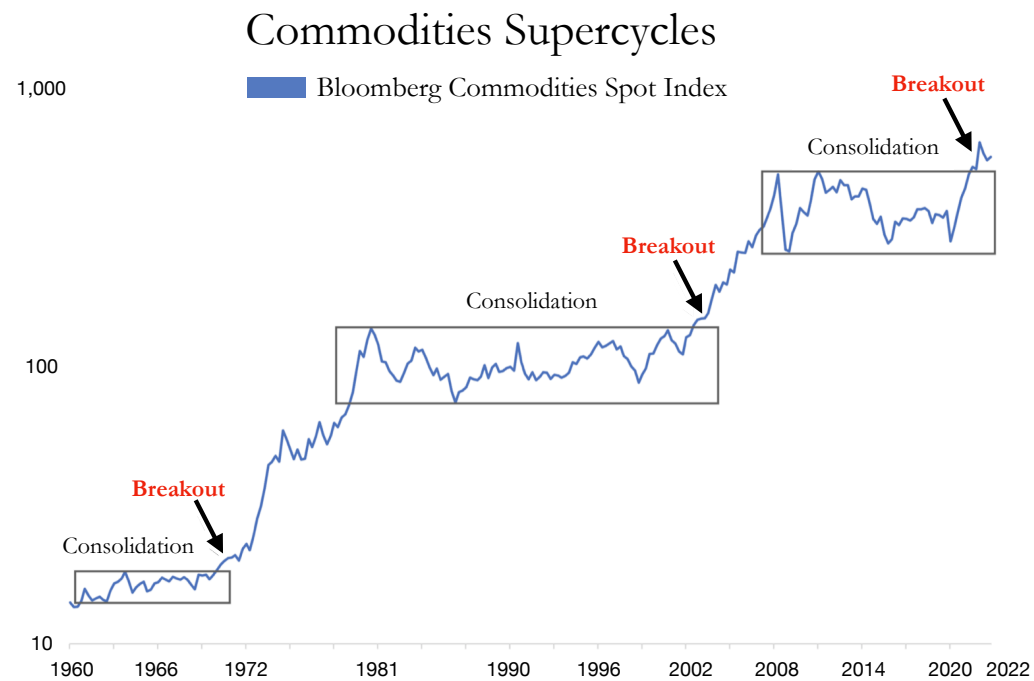
S&P GSCI Total Return Index / S&P 500 Ratio, January 1971 to April 2023



Source: Dr. Torsten Dennin, Reuters, Eikon, Incrementum AG, May 2023

SUPERCYCLES

The Bloomberg Commodities Spot Index broke out to a new all-time high in 2022 after a period of consolidation that lasted well over a decade. The **next supercycle** is likely to be driven by **the electrification of transport and** implementation of **clean energy solutions**.



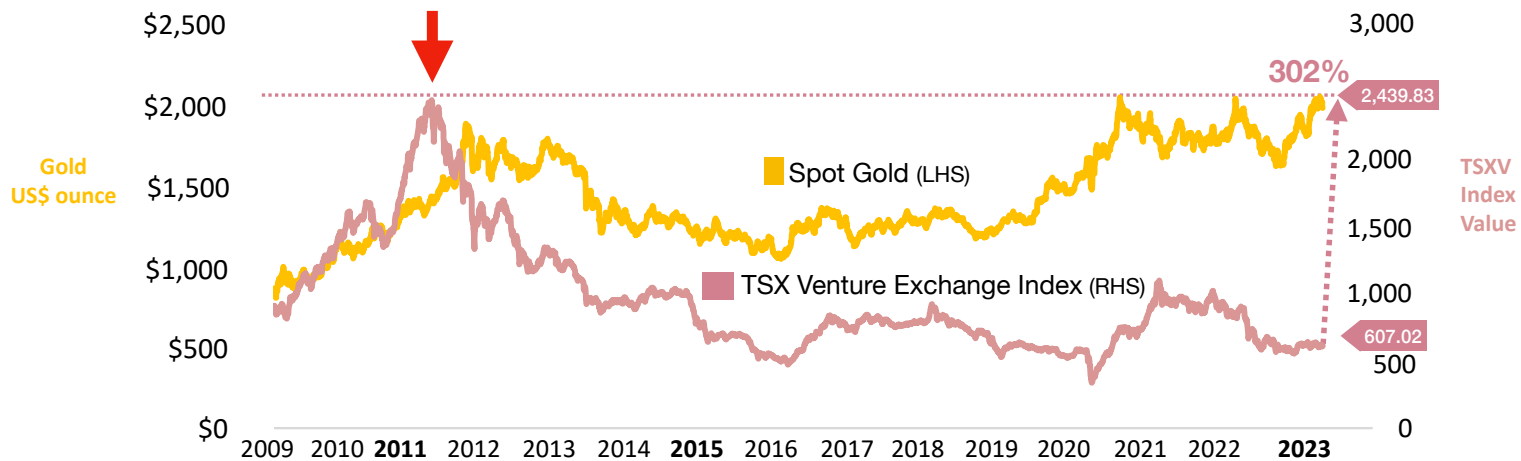
Source: Felder Report, October 2022

TSX VENTURE INDEX IS UNDERVALUED

SECTOR IS RIPE FOR GAINS & M&A

The TSX Venture Exchange Index has been dominated by the world's precious and base metal explorers. For the index **to return to its 2011 high**, it would have to **rise 302%**. The potential for upside is more likely now as mining firms shift to producing more resources for industries that are key to the energy transition (i.e. EV's, batteries, grid infrastructure, wind & solar).

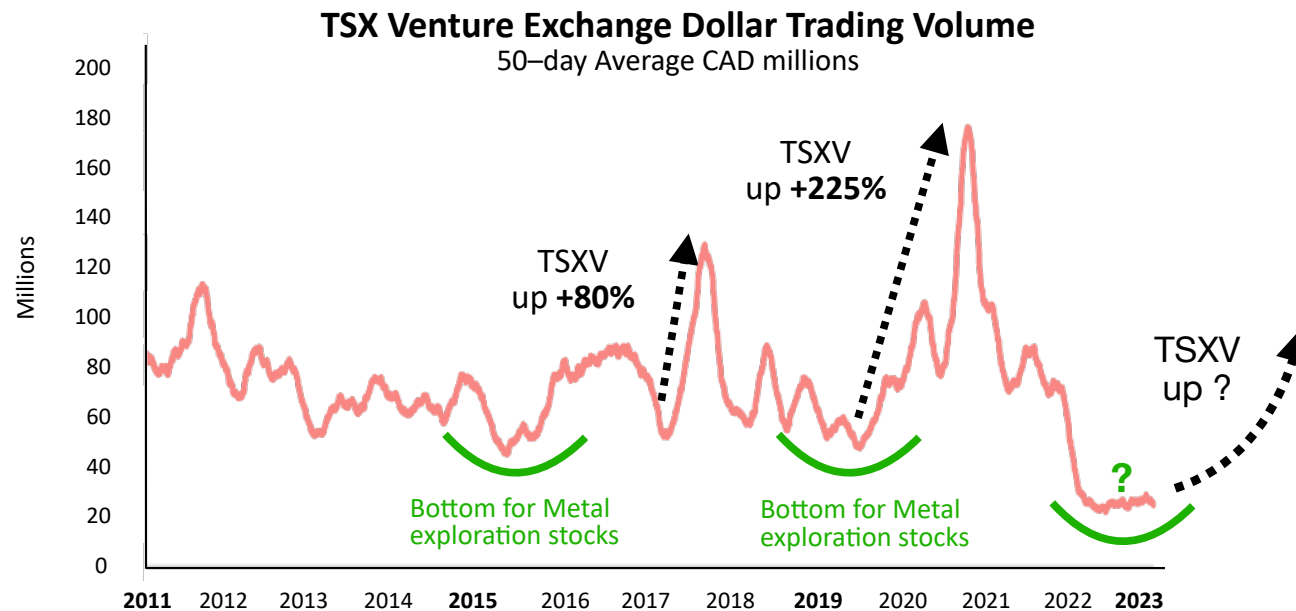
TSX Venture Undervalued to Gold



Source: TSX, Bloomberg, May 16 2023

TSX VENTURE EXCHANGE SHOULD SEE SURGE IN VOLUME

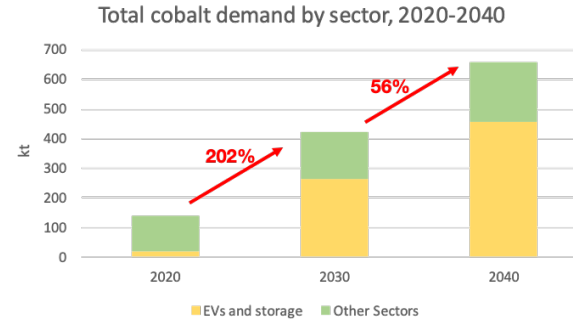
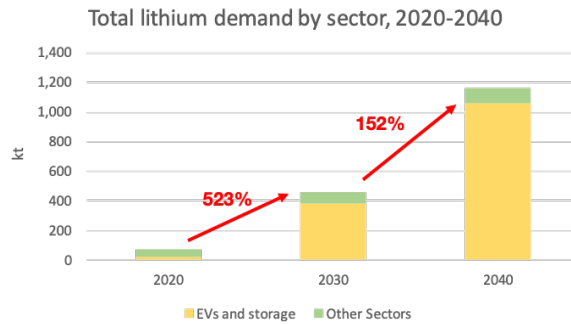
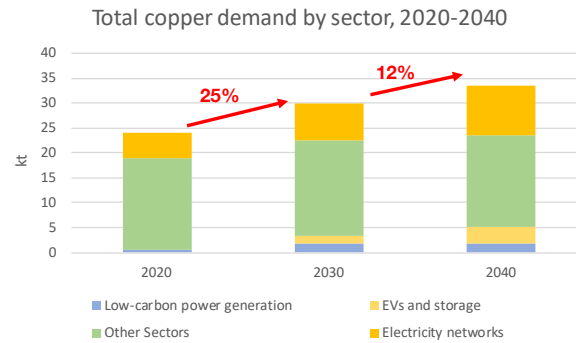
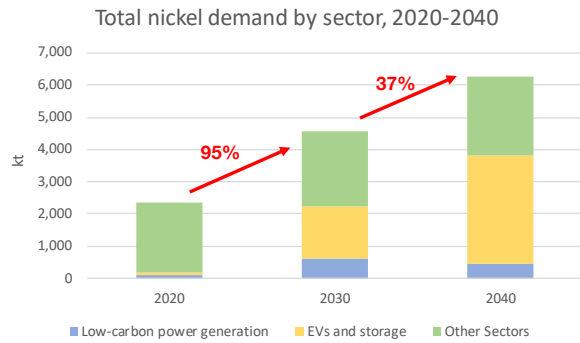
Dollar trading volume in exploration-focused companies has been unusually depressed and shrinking for 2 years and **reflects the underinvestment and ESG challenges** among other factors. When interest finally takes root, large money inflows into the tiny junior mining sector will likely see outsized price appreciation.



Source: TSX, Bloomberg, May 15 2023

BATTERY METAL SUPPLY SQUEEZE IS APPROACHING

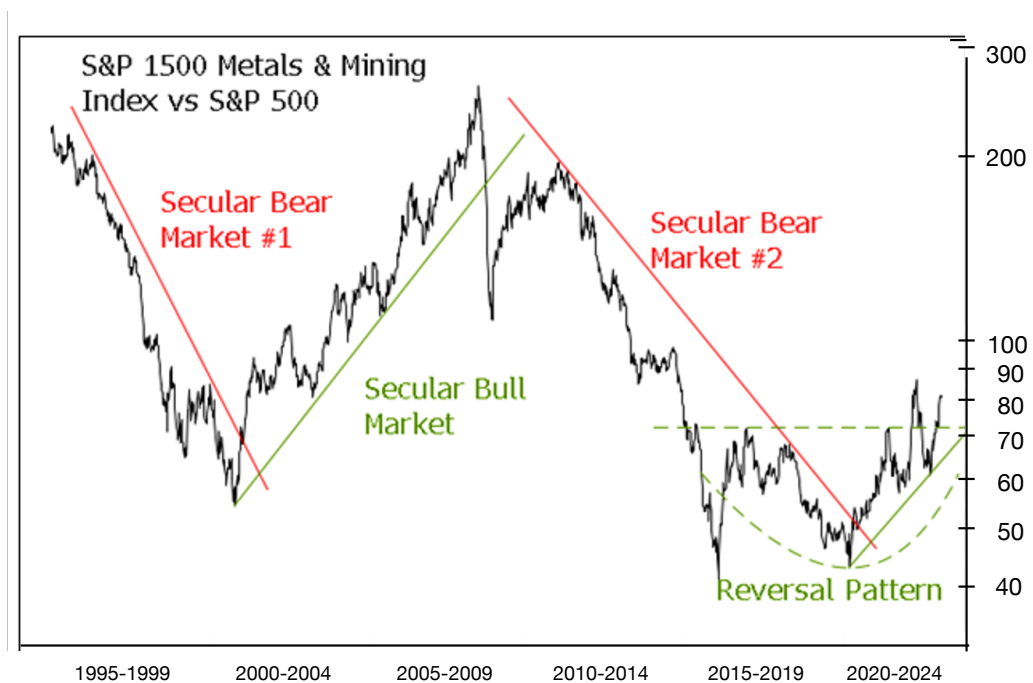
Growing demand for key battery metals is already underway



Source: IEA 2022: Reliable supply of minerals

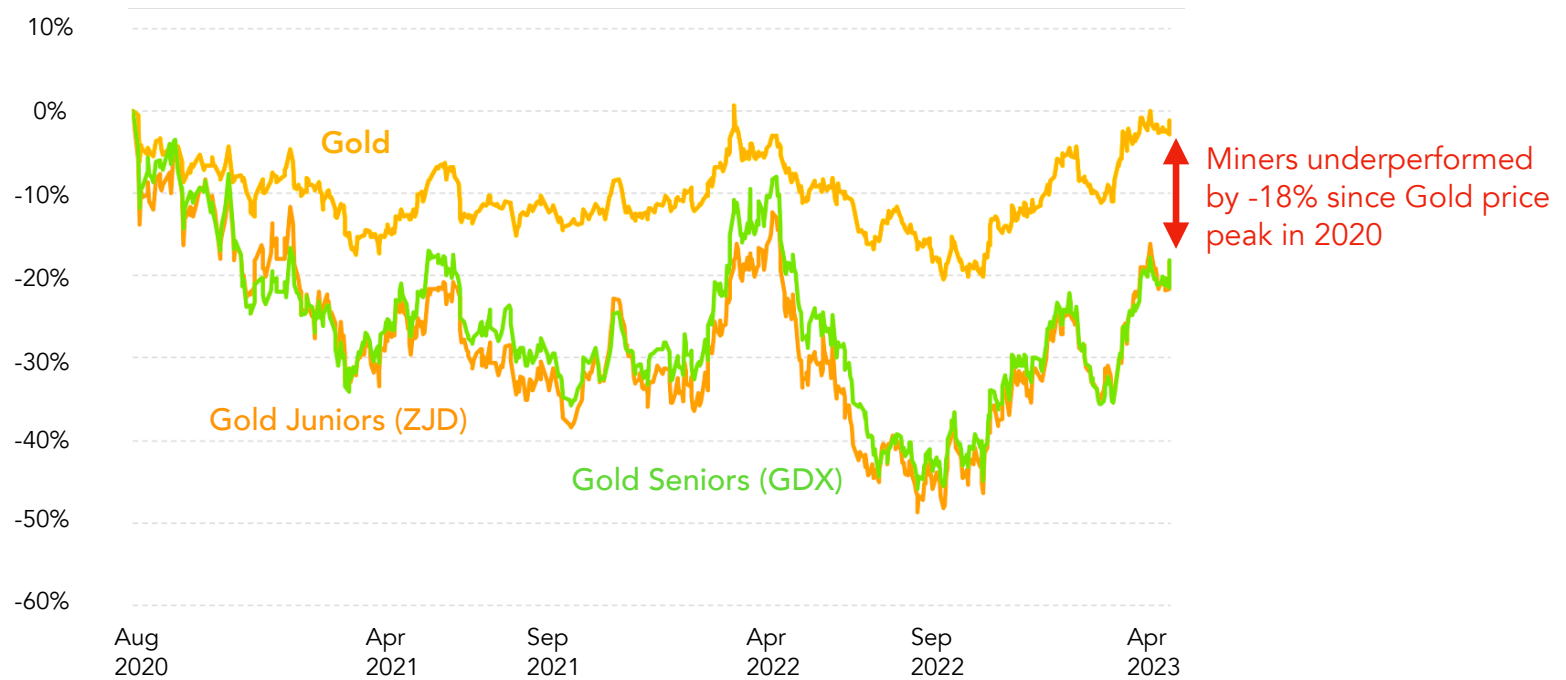
THE NEXT SECULAR COMMODITY BULL MARKET IS SETTING UP

S&P 1500 Metals & Mining Index vs S&P 500 (1995 - 2023)



Source: Bloomberg, May 2023

SLOWING RATE-HIKING WILL BE POSITIVE FOR INVESTOR SENTIMENT



Source: Bloomberg, May 2023

JUNIOR GOLD STOCKS ARE POISED TO OUTPERFORM IN 2023

| | | GDXJ | GDX | GLD |
|-----------------|-------------------|-------------|-------------|------------|
| 2010 | Trough | \$102 | \$48 | \$116 |
| | Peak | \$176 | \$64 | \$139 |
| | Return (%) | 73% | 34% | 20% |
| 2012 | Trough | \$73 | \$43 | \$151 |
| | Peak | \$102 | \$55 | \$172 |
| | Return (%) | 40% | 27% | 14% |
| 2016 | Trough | \$19 | \$13 | \$101 |
| | Peak | \$52 | \$31 | \$129 |
| | Return (%) | 176% | 129% | 28% |
| 2020 | Trough | \$22 | \$19 | \$143 |
| | Peak | \$61 | \$43 | \$191 |
| | Return (%) | 175% | 126% | 33% |
| Average: | | 116% | 79% | 24% |

Source: Bloomberg, GLD Junior index: GDXJ, GLD Senior Index: GDX, GLD Bullion: GLD

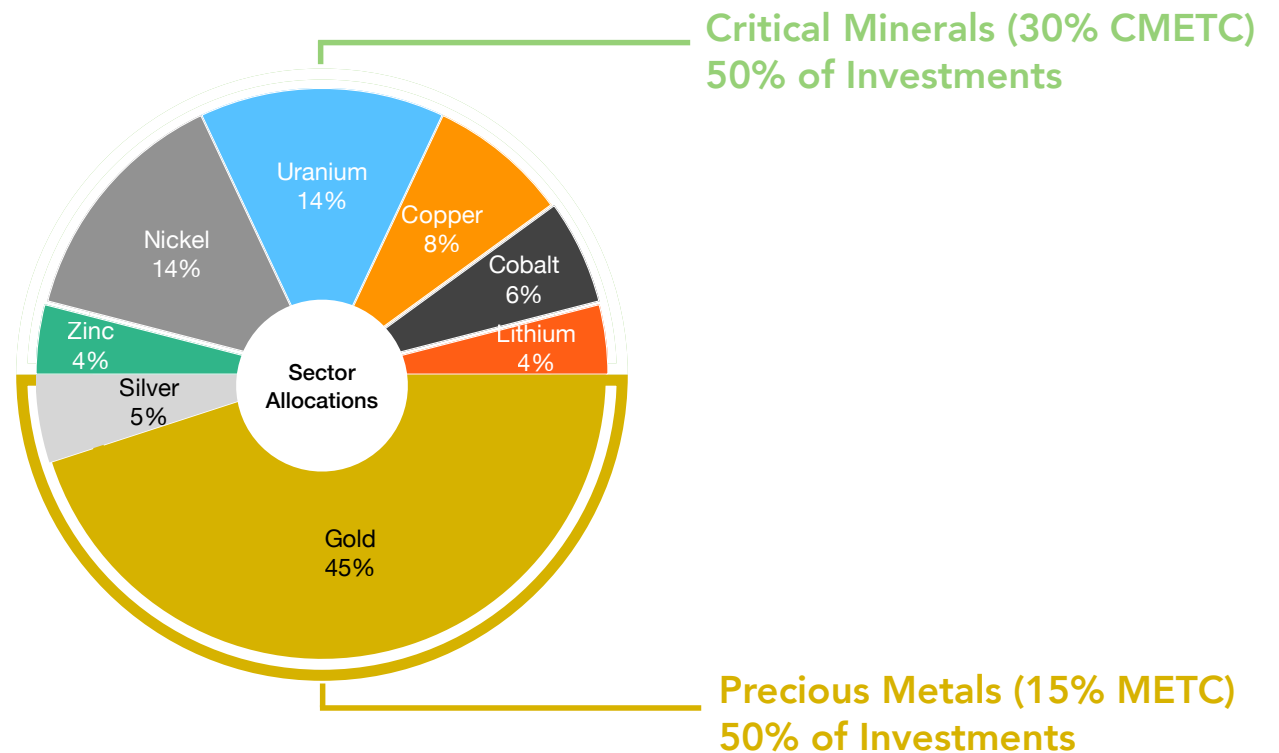
HOW WE BUILD PORTFOLIOS

HOW TERRA INVESTMENTS ARE SELECTED



PROJECTED ALLOCATIONS OF CRITICAL MINERALS & PRECIOUS METALS

We actively invest and manage a diversified portfolio of *public* mining firms that provide attractive tax savings and potential additional investment returns. Sector weightings are determined through individual stock selection by Cypress.



KEY TAKEAWAYS FOR TERRA 2023 LP

1. Significant **tax savings** - **\$352,700** in 2023 tax savings on a **\$500,000 investment**
2. Positioned for potential **investment gains** from diversified investments in gold, battery & clean energy sectors
3. Disciplined management with **consistent performance** - historical average is **42% after-tax return**
4. **Early liquidity** (rollover targeted for **June 2024**) facilitates reinvestment for recycling tax savings & obtaining new investment opportunities

TARGETED RAISE: \$35 ~ \$45 MILLION

TerraFunds

Tax-Smart Investments

51 Wolsley Street, Suite 101
Toronto, Ontario M5T 1A4
T: 416-203-2477 / 1-888-449-4645
E: info@terrafunds.ca
W: www.terrafunds.ca



T: 1-833-STENNER (783 6637)
E: swp@cgf.com
W: <https://StennerWealthPartners.com>

APPENDIX

CARRY-BACK EXAMPLE

Investors who have limited income this year may still be interested in acquiring a flow-through investment because tax deductions can be **carried back, up to 3 years**.

For example, a taxpayer who **sold a business or property**, or received a **substantial bonus** in any of the **3 prior years** and paid a large amount of tax, can still benefit from the 2023 tax deductions provided by Terra's flow-through limited partnership.

Step 1:

A taxpayer must first apply any tax deductions to **reduce 2023 income to zero**.

Step 2:

The balance may then be carried back up to 3 years (i.e. as far back as 2020) to allow the taxpayer to reclaim tax previously paid in those years. Taxpayers, however, must make sure that they **acquire enough deductions so that there are still sufficient tax deductions to carry back to prior years**. Tax deductions may also be carried forward 7 years and tax credits (if any) may be carried forward 10 years.

Any "**non-refundable**" **federal tax credit** will not be available in the current year if the income is brought to zero, but can be **carried back 3 years**. Any refundable provincial tax credit (i.e. Ontario, BC) may be used to reduce taxes otherwise payable in the current year.

TAX BENEFITS FOR CCPC

TAX SAVINGS - CCPC

Financial Aspects For Investors - per \$500,000 investment

A Terra Short-Term Flow-Through LP provides attractive tax savings to corporations on their investment income.

| Investment | \$500,000 | | |
|--|------------------|--------------------------|------------------|
| | 2023 | 2024 | 2025 - 2027 |
| | Investment Yr | Rollover Yr ¹ | Post Rollover |
| A. CEE & Other Deductions | \$470,000 | \$50,250 | \$22,000 |
| B. Tax Rate ² | 50.2% | 50.2% | 50.2% |
| C. Tax Savings - CEE & Other (A x B) | \$235,940 | \$25,226 | \$11,044 |
| D. Tax Savings - METC ³ | NA | NA | - |
| E. Tax Savings - CMETC ³ | NA | NA | - |
| Annual Tax Savings (C + D + E) | \$235,940 | \$25,226 | \$11,044 |
| Cumulative Tax Savings ⁴ | \$235,940 | \$261,166 | \$272,210 |

¹ Rollover is targeted for June 2024. ² Tax rate for investment income varies for each province: BC: 50.67%, AB: 46.67%, ON: 50.17%, QC: 50.17% etc.

³ METC - 15% Mineral Exploration Tax Credit & CMETC - 30% Critical Mineral Exploration Tax Credit are only available to individuals & not corporations.

⁴ Cumulative tax savings vary by province as the tax rate for investment income differs for each province. Class A units pay an agency placement fee of up to 5.75%.

CASH FLOW & RATE OF RETURN - CCPC

On redemption, proceeds are taxed as a capital gain


| | 2023 Investment Yr | 2024 Rollover Yr ¹ | 2025 - 2027 Post Rollover |
|--|-----------------------|----------------------------------|------------------------------|
| Investment | (\$500,000) | - | - |
| Annual Tax Savings⁵ | \$235,940 | \$25,226 | \$11,044 |
| NAV on Redemption ⁶ | - | \$400,000 | - |
| Capital Gains Tax on Redemption | - | (\$100,400) | - |
| Cash Flow - \$ | (\$264,060) | \$324,826 | \$11,044 |
| Cumulative Return - \$ | (\$264,060) | \$60,766 | \$71,810 |
| Rate of Return - %⁷ | | 23.0% | |

⁵ See Tax Savings table above. ⁶ NAV on Redemption is estimated at 80% of the Investment and taxed as a capital gain.

⁷ Rate of Return for 23.0% on rollover is calculated as the total Cumulative Return for \$60,766 divided by the Capital at Risk in year 1 for \$264,060.

CASH FLOW & RATE OF RETURN - CCPC WITH CAPITAL LOSSES

On redemption, proceeds are taxed as a capital gain, which can be offset with available capital losses.

| | 2023 Investment Yr | 2024 Rollover Yr ¹ | 2025 - 2027 Post Rollover |
|---|-----------------------|----------------------------------|------------------------------|
| Investment | (\$500,000) | - | - |
| Annual Tax Savings ⁵ | \$235,940 | \$25,226 | \$11,044 |
| NAV on Redemption ⁶ | - | \$400,000 | - |
|  Capital Gains Tax on Redemption ⁷ | - | \$0 | - |
| Cash Flow - \$ | (\$264,060) | \$425,226 | \$11,044 |
| Cumulative Return - \$ | (\$264,060) | \$161,166 | \$172,210 |
| Rate of Return - % ⁸ | | 61.0% | |

⁵ See Tax Savings table above. ⁶ NAV on Redemption is estimated at 80% of the Investment and subject to capital gains tax..

⁷ Assumes CCPC has available capital losses equal to the NAV on Redemption, causing the capital gain to be zero and no capital gains tax owing.

⁸ Rate of Return for 61.0% on rollover is calculated as the total Cumulative Return for \$161,166 divided by the Capital at Risk in year 1 for \$264,060.

BASE METALS

IMPORTANCE TO THE EV AND CLEAN ENERGY TRANSITION

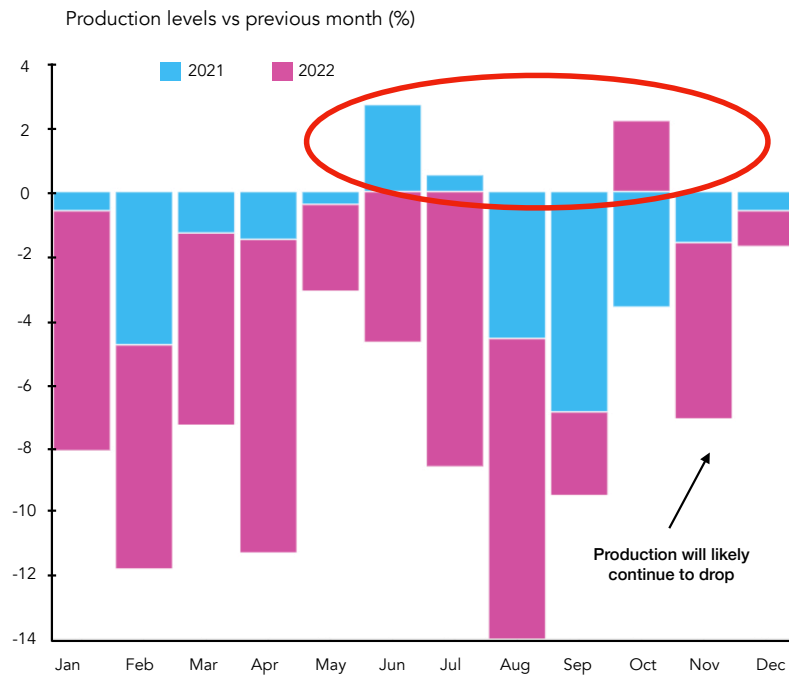
Common **base metals** include aluminum, **copper, cobalt**, iron, lead, **nickel** and zinc, which have a lower value. Refined forms of these metals are commonly traded on world markets. These are some of the basic building materials for much of the world around us.

The 4 key materials that have the potential to stall EV penetration are lithium, nickel, cobalt, and copper of which **copper, cobalt and nickel** are considered base metals.

CHILE COPPER PRODUCTION - YEAR OVER YEAR

Over the last 2 years, only 3 months showed an increase in copper output in Chile, the largest producer globally of the metal.

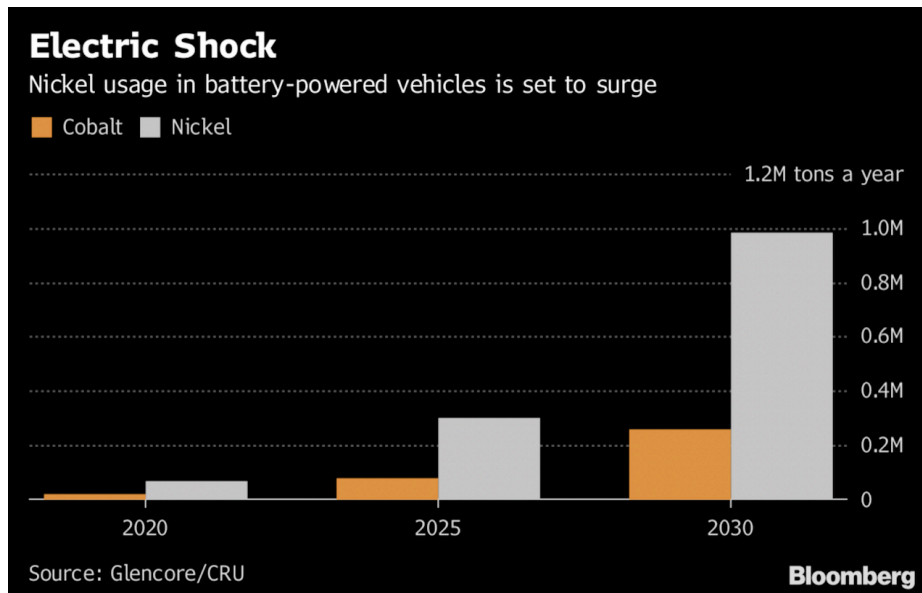
Chile copper production YoY



Source: INE - Chilean Statistics Institute, March 2023

- > **High-grade copper discoveries** are becoming increasingly challenging
- > **Chile holds a dominant position** in the supply of copper, accounting for nearly 30% of the total global production, which is **comparable to OPEC's share** of the world's oil market
- > Chile's overall copper production is currently **as low as it was 18 years ago**, nearly down 10% from its recent peak
- > Transition to a green economy relies on an ample and accessible supply of copper, which is unattainable today

NICKEL & COBALT USAGE EXPECTED TO GROW SUBSTANTIALLY



Source: Glencore/CRU, Bloomberg, March 2023

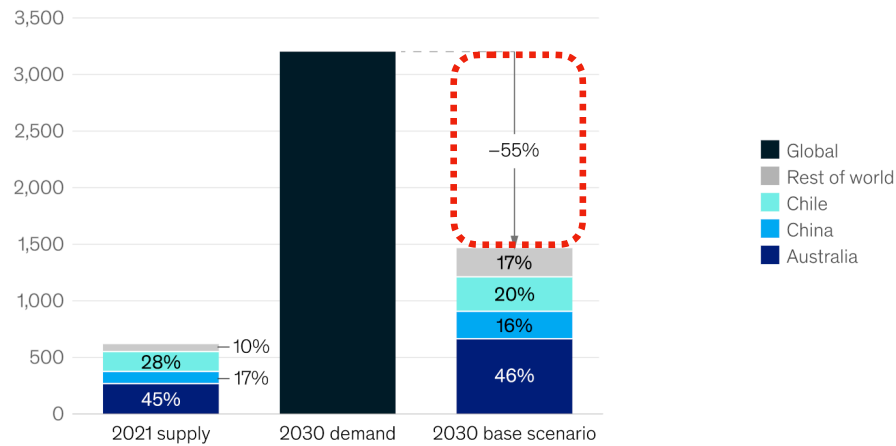
- > **Battery market** currently only **consumes 3%** of the world's available nickel
- > In its April 2023 report, the IEA reports **EV sales** exceeded 10 million in 2022 and is **expected to grow to 14 million in 2023** or **18% of total car sales** across the full calendar year.
- > BloombergNEF predicts over **50% of cars sold in the US will be electric by 2030.**

LITHIUM SUPPLY

Exhibit 5

Lithium could be in extremely short supply if no further projects are developed.

Lithium carbonate global equivalent demand 2030, supply 2021 and 2030 by country, kt



Source: McKinsey & Company, January 2023

- > **Electric vehicles (EVs)** will account for the vast bulk of demand in 2030
- > China is expected to account for **45% of demand in 2030**
- > Growth is expected to be highest globally in the **EU and the United States** due to regulatory changes
- > Almost **60 percent** of today's lithium is mined for battery-related applications, a figure that could reach **95 percent by 2030**. McKinsey's base scenario expects a **55% shortage of lithium in 2030** (Exhibit 5)
- > Alternative supply set to flourish in **Australia, Canada, the U.S. and Argentina**
- > Uncertainty over the longevity of lithium's boom as work proceeds on alternatives like sodium-ion batteries, but the metal is expected to be scarce for at least a decade because of the speed of the electric car transition

PAST INVESTMENTS

TERRA: FINANCING THE CLEAN ENERGY TRANSITION

A low-carbon future is not possible without critical minerals. Flow-through financing has a vital role in assisting the transition to cleaner energy.

Past investments



TERRA: FINANCING GOLD & SILVER EXPLORATION

Even with gold prices over US \$2,000 per ounce and improved margins, gold miners are still trading at relatively low valuations.

Past investments



**AMT: PROPOSED CHANGES
THE GOOD, THE BAD & THE UGLY**

THE GOOD: 7 YEAR CARRY-FORWARD

The alternative minimum tax (AMT) is recoverable in almost all cases.

*“The good news, however, is that in almost every case, the minimum tax is just a prepayment. It is recoverable, there is a **seven-year carry forward** to the extent that your ordinary tax exceeds minimum tax in a future year”*

*Jamie Golombek, Managing Director of tax and estate planning
CIBC Private Wealth Management*

THE BAD: TREATMENT OF CAPITAL GAINS

While historically the AMT has not been a concern where large capital gains are realized (other than where the lifetime capital gains exemption is used), Budget 2023 marks a departure from this.

The impact is expected to be felt most often by those taxpayers who realize very substantial **one-time gains** from the sales of their businesses, dispose of substantial **stock option positions**, or make very substantial **donations** of appreciated capital property.

Although the **basic AMT exemption is going up to ~\$173,000 in 2024**, that amount **becomes less material as capital gains increase**.

Bennett Jones - Budget 2023 Update

THE UGLY: CHANGES FOR DONATIONS

The federal government intends to include in the AMT calculations

- 1) **30% of any capital gains** arising from donations of publicly listed securities and;
- 2) Only **50% of the allowable charitable tax credit is deductible**

Source: Federal 2023 Budget