

PearTree's Flow-Through Share Donation Platform – Discussion Points

Value Proposition • The after-tax cost of giving is reduced to less than 10% of the donation amount for individuals and corporate donors which results in increased, often transformational gifts.

Format • Instead of a cash donation, PearTree arranges for donors to buy flow-through shares (1st tax benefit), the shares are donated (2nd tax benefit) and the charity immediately sells the shares to pre-identified buyers, netting the full pledged amount in cash at no net cost.

History • PearTree was founded in 2007. Today working alongside the investment banking community, PearTree finances \$500M annually in flow-through shares sourced for donation purposes. While the hospital sector remains the single largest recipient of donations made by clients, more than 5,000 charities have received gifts enabled by PearTree. PearTree carries on business across Canada.

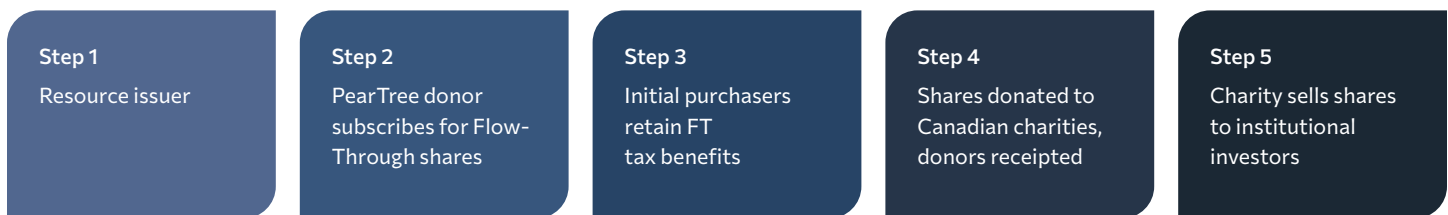
Turnkey Professional Practice • PearTree works with donor tax / investment advisors to maximize donations. All national CA / law firms know us.

Tax & Estate Planning • There are numerous tax and estate planning benefits including redirecting tax for charitable purposes, sheltering Terminal Year deemed dispositions on death and for corporate donors (CCPCs), significant increases to the Capital Dividend Account (CDA) when donating publicly listed securities.

Initial Process • Following an initial call or meeting with the prospective donor we speak with the tax advisor.

Supporting Northern Communities and Indigenous Employment • The funds raised through the issuance of flow-through shares can only be used for one purpose; the direct costs of exploration which by definition is deploying and provisioning contractors and employees in the north. The resource sector is the single largest source of jobs in Indigenous communities. \$500 million annually of flow-through financings is \$500 million more invested in these communities. PearTree has provided billions of dollars in accretive investment / northern job creation over the past 15 years.

How It Works



After-Tax Cost of Giving Comparison

Alberta Individual Donor

| Cash Donation | Approximate After-Tax Cost of Giving (46.00%) |
|---------------|---|
| \$25,000 | \$11,500 |
| \$35,000 | \$16,100 |
| \$50,000 | \$23,000 |
| \$100,000 | \$46,000 |
| \$250,000 | \$115,000 |
| \$500,000 | \$230,000 |

| PearTree Flow-Through Donation | Approximate After-Tax Cost of Giving (9.95%) |
|--------------------------------|--|
| \$25,000* | \$2,488 |
| \$35,000 | \$3,483 |
| \$50,000 | \$4,975 |
| \$100,000 | \$9,950 |
| \$250,000 | \$23,875 |
| \$500,000 | \$49,750 |

Gifts by Private Corporations • The after-tax cost of giving by CCPCs earning active or passive income may be more tax efficient than donations made by individuals.

*Minimum donation amount

**Alternative Minimum Tax (AMT): Donors need taxable income sufficient to deduct the resource and donation tax deductions and credits. Unused tax benefits carry forward and in some cases back. Please consult your tax advisors about AMT.

Where Finance Meets Philanthropy.

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