



PearTree

Expanding the Universe of Exploration Capital



An aerial photograph of a large suspension bridge spanning a wide body of water. In the background, a city skyline is visible across the water. The bridge has two main towers and several suspension cables. The water is calm, and the sky is clear with some light clouds. A large white circle is overlaid on the center of the image, containing the title and subtitle text.

Expanding the Universe of Exploration Capital

Extensive network of Canadian issuers and
global resource investors.

About Us

Leading source of exploration & development capital

PearTree is a Canadian Securities Dealer and Investment Fund Manager advancing over (CAD) \$ 500 million annually for resource exploration and mine development in a uniquely Canadian structure which results in as much as \$2.00 of capital deployed for every \$1.00 invested by global institutions and family offices.

PearTree's platform and investor capital results in the triple benefit of reduced issuer dilution, reduced cost of share ownership, and enhanced governance within a Canadian regulatory environment ensuring that invested capital is deployed on site and for no other purpose.



Value Proposition

PearTree's investment platform and capital leverages Canadian Resource tax incentives known as flow-through shares (FTS) benefiting issuers and global investors:

- Common shares designated as FTS issued at premiums to market
- On resale by PearTree to global investors shares are sold at discount to market stripped of tax value
- PearTree is paid by its investors – no issuer fees

Applications

- Bridge valuation gaps for strategic investments
- Facilitate M&A transactions including via subscription receipts exchangeable for flow-through shares
- Suitable for global, strategic & institutional investors
- Finance earn-ins
- Applications for public or private companies
- Better economics for buyers, both Canadian and foreign, seeking to invest in Canadian projects
- Available to foreign listed issuers seeking to finance Canadian projects



What is a Flow-Through Share?

The Canadian Flow-Through Share tax regime was established in the 1970s to promote exploration investment in Canada. Resource issuers can flow-through the tax deductions and credits associated with the issuers' exploration and development activities to the first subscribers of these common shares.

In order to issue flow-through shares, the use of funds must be for new exploration as defined in Canadian law and set out in the new issue subscription agreement. Upon sale or donation, the shares remain common shares. The regime was later expanded to include issuers' development costs and more recently renewable energy activities.

Value to Global Investors

The tax deduction available to the first subscriber enables a charity disposition to global investors at discounted prices.

Value to Issuers

Since a flow-through share is made up of a common share plus a tax benefit, issuers charge subscribers a premium above the public market trading price thus reducing share dilution.

Where Finance Meets Philanthropy

The flow-through tax regime is technical and includes rules which require investor risk and prohibits self-dealing. PearTree developed a platform—compliant with and confirmed by Canadian tax authorities—which includes a series of transactions in which:

Step 1

Canadian philanthropists buy flow-through shares for their tax value.

Step 2

They immediately gift the shares to Canadian charities of their choice.

Step 3

In turn, charities immediately sell the donated shares to pre-identified institutional and strategic buyers.

» All transactions close on the same day and the donation receipt is equal to share sale price.

Find out more at peartreecanada.com/tax-rulings-and-technical-interpretations/

PearTree Flow-Through 2021 Financing Illustration

Participating in mature exploration
& development financings



Step 1

PearTree donor
subscribes for FT
shares* at \$5.35
(54.18% premium to
market) (Previous
Close - \$3.47)

Step 2

Initial purchasers
retain FT tax benefits

Step 3

Common shares
donated to Canadian
charities, donors
received at \$3.00

Step 4

On the same day,
charities sell shares**
to institutional
investors arranged
by a syndicate of
underwriters***
at \$3.00 (13.54%
discount to market)

» Size: \$70 million Quebec flow-through offering with institutional/strategic investment of \$39.25 million

*Flow-through shares are common shares that permit the initial purchaser to claim a deduction equal to the subscription price against any income.

**If this financing was a unit offering, then the entire unit would be conveyed to the end buyer.

***Syndicate of underwriters led by Canaccord Genuity Corp., included Eight Capital, BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Beacon Securities Limited, Cormark Securities Inc., Haywood Securities Inc., Industrial Alliance Securities Inc. and RBC Dominion Securities Inc.

****For illustrative purpose only. Deltas vary by province/territory depending on the availability/size of provincial tax credits. Deltas may change from time to time in response to public market conditions.

PearTree Flow-Through Financing Illustration

Participating in
early stage opportunities



Greenstone Capital's \$12.5m investment through PearTree results in \$20m in Rockcliff treasury for exploration



Step 1

PearTree donor
subscribes for FT
shares* at \$0.24

Step 2

Initial purchasers
retain FT tax benefits

Step 3

Common shares
donated to
Canadian charities

Step 4

On the same
day, charities sell
shares** to strategic
investor*** at \$0.15

» Size: \$20 million Manitoba Flow-Through offering funded with \$12.5 million from Greenstone Capital

*Flow-through shares are common shares that permit the initial purchaser to claim a deduction equal to the subscription price against any income.

**If this financing was a unit offering, then the entire unit would be conveyed to the end buyer.

***For illustrative purpose only. Deltas vary by province/territory depending on the availability/size of provincial tax credits. Deltas may change from time to time in response to public market conditions.

Buy-Side Benefits

- Discounted purchase price
- No fees charged to market participants
- Non-competitive to existing broker relationships
- Less dilutive for existing shareholders
- Tax Authority Governance: 100% of funds raised must be spent on exploration/development expenses
- Benefits Canadian charities



“

I have a preference for safe geopolitical jurisdictions and Canada has been a particular focus. On several occasions, I've worked through PearTree's charity flow-through offering because your investment format creates a win-win for me and the issuer.

Ralph R. Aldis

CFA, Portfolio Manager,
U.S. Global Investors

Issuer Benefits

- Client mandates range from exploration-stage companies to producers
- Canadian Natural Resource expertise allows us to identify emerging opportunities
- Our relationships include some of the largest international resource portfolio managers
- Track record of working with strategic investors
- Our Perspective Newsletter provides issuers access to a network of donors with net worth of over \$500 billion
- Premium share price
- Less dilution
- No fees

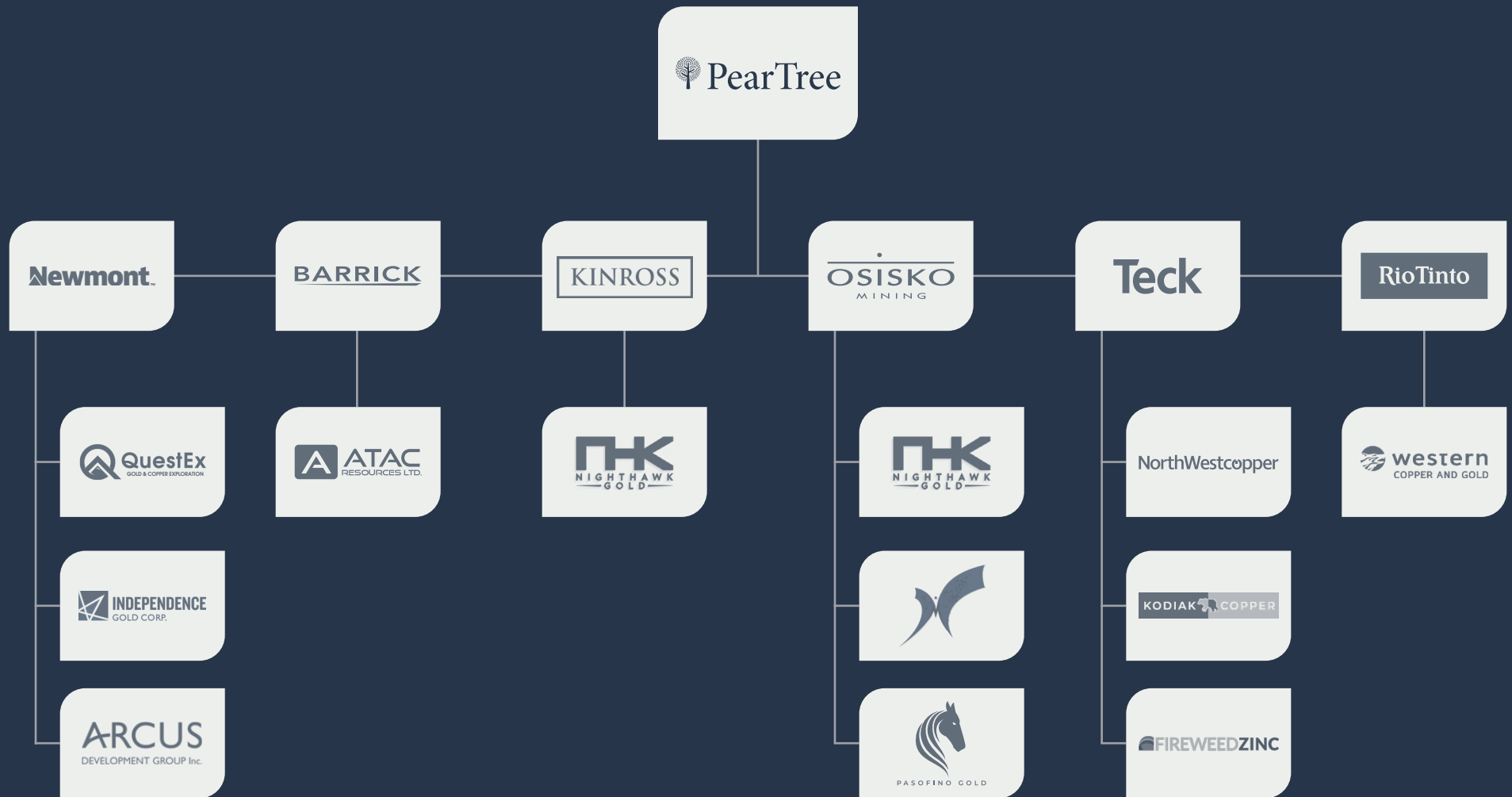


With over \$400M in exploration financings completed, PearTree is a reliable, dependable and trusted partner.

John Burzynski

CEO & Director,
Osisko Mining

PearTree Strategic Investments





SEABRIDGE GOLD

“

Over the past decade, PearTree has been a steadfast, dependable and trusted source for capital, advice and hands-on assistance. PearTree's team is unique; possessing a broad combination of convergent skill sets wrapped in an open and collaborative culture which has been helpful to us in making Seabridge a world-class gold, copper and silver Canadian success story.

Rudi Fronk CEO,
Chris Reynolds CFO,
Seabridge Gold

PearTree Representative Transactions

Quebec QC

- O3 Mining Inc.
- IAMGOLD Corp.
- Amex Exploration Inc.
- Fury Gold Mines Ltd.
- Troilus Gold Corp.
- Osisko Mining Inc.
- Orford Mining Corp.
- Monarch Gold Corp.
- Radisson Mining Resources Inc.
- Azimut Exploration Inc.
- Patriot Battery Minerals Inc.
- Benz Mining Corp.
- Wallbridge Mining Company Corp.
- Winsome Resources Ltd.
- Li-FT Power Ltd.
- Cygnus Gold Ltd.
- Murchison Minerals Ltd.
- Stelmine Canada Ltd.
- Kiboko Gold Ltd.
- Northern Superior Resources Inc.
- Galway Metal Inc.

British Columbia BC

- Scottie Resources Corp.
- Osisko Development Corp.
- Westhaven Ventures Inc.
- Seabridge Gold Inc.
- NorthIsle Copper and Gold Inc.
- Tudor Gold Corp.
- Garibaldi Resources Corp.
- Aurico Metals Inc.
- Cassiar Gold Corp.
- Kodiak Copper Corp.
- TDG Gold Corp.
- Eskay Mining Corp.
- Talisker Resources Ltd.
- Kingfisher Metals Corp.
- Surge Copper Corp.
- Enduro Metals
- Northwest Copper Corp.
- Canagold Resources Ltd.
- Pacific Ridge Exploration Ltd.

Ontario ON

- GFG Resources Inc.
- Moneta Gold Inc.
- Canada Nickel Company Ltd.
- Treasury Metals Inc.
- McEwen Mining Inc.
- Argonaut Gold Inc.
- Mayfair Gold Corp.
- Great Bear Resources Ltd.
- Aston Minerals Ltd.
- Magna Mining Inc.
- E2 Gold Inc.

Alberta AB

- Blackbird Energy Inc.
- Cardinal Energy Ltd.
- Kelt Exploration Ltd.
- NuVista Energy Ltd.
- Surge Energy Inc.
- Pine Cliff Energy Ltd.
- Spartan Delta Corp.
- InPlay Oil Corp.
- Journey Energy Inc.
- Halo Exploration Ltd.

Yukon YT

- ATAC Resources Ltd.
- Victoria Gold Corp.
- Strategic Metals Ltd.
- Banyan Gold Corp.
- Rockhaven Resources Ltd.
- Western Copper and Gold Corp.
- Granite Creek Copper Ltd.
- Fireweed Metals Corp.
- Metallic Minerals Corp.

Newfoundland and Labrador NL

- Matador Mining Ltd.
- Magna Terra Minerals Inc.
- Labrador Gold Corp.
- Canterra Minerals Corp.
- Signal Gold Inc.
- New Found Gold Corp.
- Big Ridge Gold Corp.
- Benton Resources Corp.

Saskatchewan SK

- Denison Mines Corp.
- NexGen Energy Ltd.
- ALX Resources Corp.
- Azincourt Energy Corp.
- 92 Energy Ltd.
- Valor Resources
- Basin Uranium Corp.
- Fission 3.0 Corp.

Manitoba MB

- Rockcliff Metals Corp.
- Callinex Mines Inc.
- Yamana Gold Inc.
- Grid Metals Corp.

New Brunswick NB

- Galway Metals Inc.
- Callinex Mines Inc.
- Great Atlantic Resources Corp

Northwest Territories NT

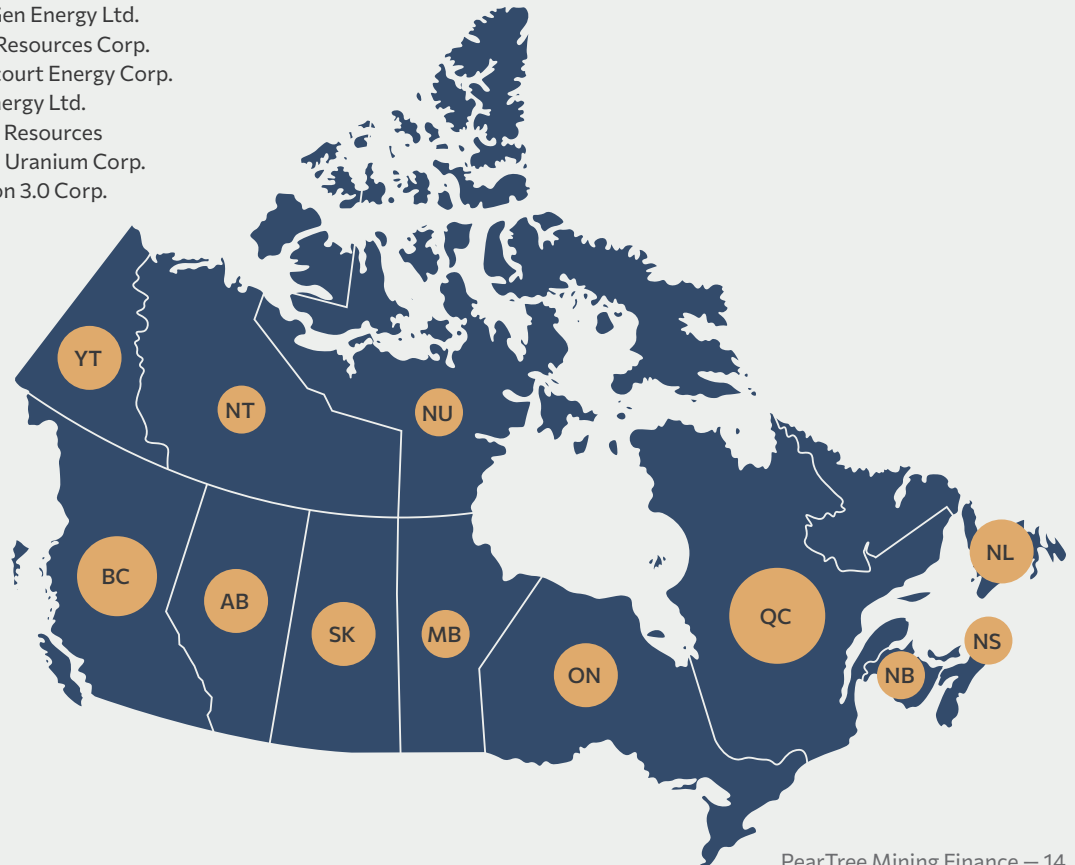
- Seabridge Gold Inc.
- TerraX Minerals Inc.

Nova Scotia NS

- Atlantic Gold Corp.

Nunavut NU

- TMAC Resources Inc.





Boost Your Charitable Giving

Learn more about flow-through share donations so you can increase and accelerate your charitable giving at a lower after-tax cost. PearTree offers a unique and proven format and we are proud to support important causes across Canada.

Find out more at peartreecanada.com



Our Team



Lisa Davis, LL.B, ICD.D
CEO

+1 416.322.2299
lisa.davis@peartreecanada.com



Ron Bernbaum, LL.B
Founder

+1 416.322.2288
ron.bernbaum@peartreecanada.com



Gary J. Baschuk
Co-head,
Mining, & Senior Geologist

+1 416.322.2297
gary.baschuk@peartreecanada.com



Ricky Chan, CPA, CA, CFA
Co-head,
Mining

+1 416.322.2298
ricky.chan@peartreecanada.com



Danny C. Mah, CFA
Head,
Energy

+1 647.498.6240
danny.mah@peartreecanada.com



Jessica Stern, LL.B
General Counsel

+1 416.322.2290
jessica.stern@peartreecanada.com



“

Par son accompagnement 100% clé en main, PearTree agit comme levier philanthropique auprès des donateurs de la Fondation du CHUM, leur donnant ainsi les moyens de faire des dons exemplaires. Cette collaboration contribue directement à l'amélioration des soins offerts aux patients québécois traités au CHUM.

Through its 100% turnkey support, PearTree acts as a philanthropic lever for donors to the Fondation du CHUM, thus giving them the means to make exemplary donations. This collaboration contributes directly to improving the care offered to Quebec patients treated at the CHUM.

Véronique Salibur

Directrice conseil, dons majeurs et planifiés
CHUM Foundation



PearTree Canada
110 Eglinton Ave. West, Suite 400
Toronto, Ontario, Canada, M4R 1A3

www.peartreecanada.com

This document is for general information purposes only. While the information herein is collected and compiled with care, neither PearTree Securities Inc. nor any of its affiliated companies represents, warrants or guarantees the accuracy or the completeness of the information. You agree not to rely on the information contained herein for any legal, accounting, tax, investment, business, financial or other purpose.