

# Flow-Through Donation Benefit

## Smarter Philanthropy

2026



# A Firm You Can Trust

For over 15 years, Oberon has served as a leading Charity Flow-Through ("CFT") provider and is a registered Exempt Market Dealer and Portfolio Manager in every province of Canada.

Oberon has facilitated over CAD\$2.2 billion of CFT, significantly reducing the after-tax cost of giving for Oberon's philanthropic clients, while expanding access to capital at reduced dilution for natural resource companies exploring and developing in Canada.



Oberon has helped raise over \$2.2 billion that is deployed directly to employ Canadians in remote and often economically challenged parts of Canada.



Oberon has facilitated in excess of \$500 million in donations by Canadian philanthropists to registered charities across Canada.



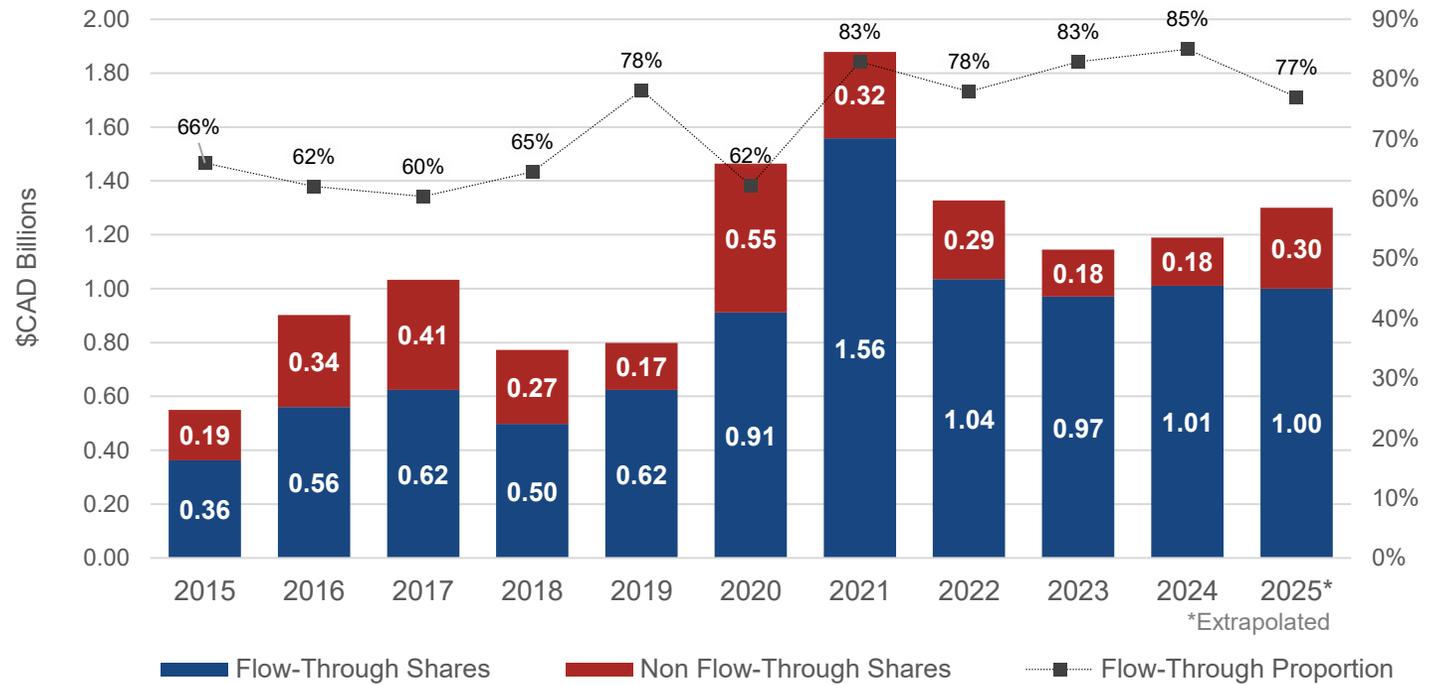
Oberon has expanded the universe of resource exploration capital for Canada by attracting over \$1.5 billion from institutional investors around the world.

# What is a Flow-Through Share?

A flow-through share is a type of common share that permits the initial purchaser to claim a tax deduction equal to the amount invested. The Flow-Through Share regime was introduced in Canada in the 1970s to encourage investment in natural resource exploration across the country. It allows public companies to transfer to investors certain exploration expenditures conducted on Canadian soil.

Flow-through share financings contributes nearly 70% of the funds raised on Canadian stock exchanges for exploration across the country, generating significant exploration activity within Canadian borders.

### Flow-through Share Financings (2015-2025)



Source: PDAC

## How it works

### STEP 1

Donors buy flow-through shares to access their tax benefits

### STEP 2

Donors gift the shares to the Canadian charity of their choice

### STEP 3

Charities immediately sell the shares to an institutional or strategic investor

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

Find out more at [www.oberoncapcorp.com/](http://www.oberoncapcorp.com/)

## Donor Benefits

### Maximize Donation

Donors increase the size of their donation by over 200% compared to the same after-tax cost of a traditional cash donation.

### Minimize Cost of Giving

Donors reduce their after-tax cost of charitable giving by 80%+. A \$100,000 donation costs between \$1,000 – \$15,000 (1% – 15%) after-tax.

### Proven, Simple Process

Flow-through shares have been part of the Canadian Income Tax Act for over 30 years. The chosen charity receives the total gift, net of all fees and expenses, within two business days of closing and often on the day of closing.

## Issuer Benefits

### Maximize Access to Capital

Provides access to an expanded global capital pool by providing an opportunity for institutional and strategic investors to acquire the common shares at a discount to market.

### Raise Capital at a Premium

Oberon's clients will pay a premium to access the flow-through share tax benefits, allowing Issuers to raise capital at a premium of up to ~80% of the market price, resulting in less dilution for shareholders.

### No Fees to the Issuer

No fees are charged to the Issuer or the Charity.

## Investor Benefits

### Opportunity for Discount

Investments often made at a discount to market.

### Magnify Investment

Investors magnify the value of every dollar invested by 15% - 70%

# Charity Benefits

## Eliminates Market and Liquidity Risk

Common share sale is pre-arranged and transaction does not occur until common share buyer is confirmed. Eliminating market and liquidity risk for the donor and charity.



## Maximizes Donations

Enables potential for increased / accelerated charitable gifts at the same after-tax cost. Charity receives 100% of the intended gift, net of all fees and expenses, in cash within two business days of closing.



## Suitable for Foundations

Funds private foundations and Donor Advised Funds, with a single tax receipt for multiple donations.



# Product Formats

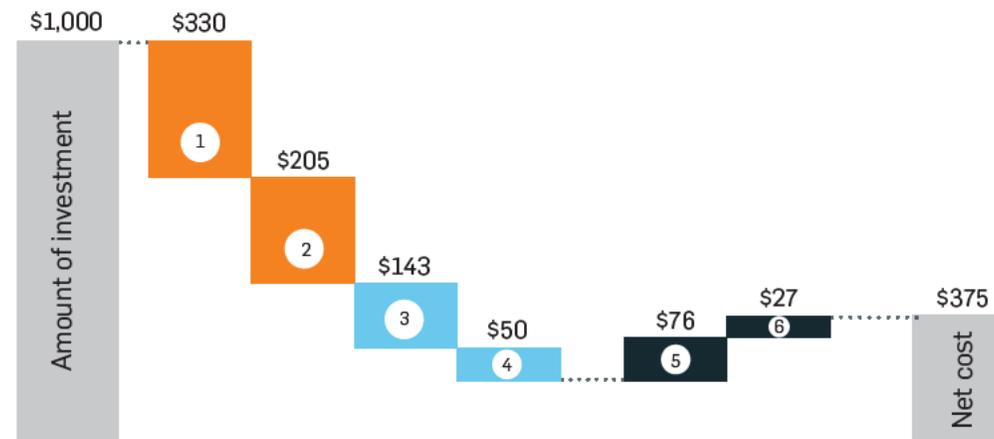
## Personal Format

- Enables donations to be made by an individual
- 100% Canadian Exploration Expense (“CEE”) Deduction
- 15% Flow Through Mining Expenditures (“FTME”) Investment Tax Credit (“ITC”)
- 30% Critical Mineral Flow Through Mining Expenditures (“CMETC”) Investment Tax Credit (“ITC”)
- Other provincial ITC’s when matched with jurisdiction of residence

## Canadian Controlled Private Corporations (“CCPC”)

- Active or Passive Income
- 100% CEE Deduction, or
- Canadian Development Expense (“CDE”) at 30% per annum on a declining balance basis
- Not eligible for federal or provincial ITC’s

## FLOW-THROUGH NET COST CALCULATION



*Note:* Simplified Ontario-based calculation for illustration purposes. For further details please visit [www.pdac.ca](http://www.pdac.ca)

### Data

- Maximum federal tax rate: 33%
- Maximum provincial tax rate: 20.53%
- Combined federal/provincial tax rate: 53.53%
- Mineral Exploration Tax Rate (METC): 15%
- Provincial METC rate: 5%

### Decrease of taxable income

1. Federal Tax Deduction = Investment \* Federal Tax Rate
2. Provincial Tax Deduction = Investment \* Provincial Tax Rate
3. Federal Tax Credit = Investment \* (1-Provincial METC rate) \* Federal METC Rate
4. Provincial Tax Credit = Investment \* Provincial METC Rate

### Increase of taxable income

5. Income Tax on Federal Tax Credit = Federal Tax Credit \* Federal/Provincial Combined Income Tax
6. Income Tax on Provincial Tax Credit = Provincial Tax Credit \* Federal/Provincial Combined Income Tax

# Flow-Through Financing Illustration

**Transaction:** \$50 million of National Flow-Through funded by Oberon for New Found Gold Corp. via \$35.5 million BMO Capital Markets bought deal

## STEP 1

Donor subscribes for New Found Gold Corp. flow-through shares at \$8.00/share, a 29% premium to market and receives tax benefits.

## STEP 2

Donor gifts New Found Gold common shares to their charity of choice, receiving donation receipt.

## STEP 3

Charity immediately sells New Found Gold common shares to prearranged institutional or strategic buyer at \$5.68/share, a 9.5% discount to market.

### Notes:

- All transactions close on the same day.
- Donation receipt is equal to common share sale price.
- Flow-through shares are common shares that permit the initial purchaser to claim a tax deduction equal to the subscription price against income.
- Any warrants issued would pass through to the common share end buyer.
- **Provided for illustrative purpose only** - premiums vary by commodity and province and depend on supply/demand and public market conditions.

# Example Tax Illustrations

1%

cost of giving

|   |                  |
|---|------------------|
| Cash Acquisition Cost of Flow-Through Shares        | \$ (440,000) (A) |
| Proceeds from Partial Sale of Common Shares         | \$ 160,000 (B)   |
| Brokerage Fee                                       | \$ (150) (C)     |
| Net Cash Out-of-Pocket on Closing (T+3 days)        | \$ (280,150) (D) |
| Net Tax Benefits - Year 1                           | \$ 300,000 (E)   |
| Cash Position - Year 1 = D + E                      | \$ 19,850 (F)    |
| Tax on Income Inclusion - Year 2                    | \$ (30,000) (K)  |
| Net After-Tax Cost of Donation (\$\$\$) = D + E + K | \$ (10,150) (M)  |
| Net After-Tax Cost of Donation (%) = M ÷ H          | 8.25%            |
| Proceeds from the Sale of Donated Shares            | \$ 160,000 (G)   |
| Brokerage Fee                                       | \$ (150)         |
| Advisory Fee + Applicable HST/GST                   | \$ (40,000)      |
| Tax Recovered by the Charity                        | \$ 3,150         |
| Net Donation  | \$ 123,000 (H)   |

Example shows Ontario Resident and Ontario Registered Charity

~30%

Return on Investment

|   |                  |
|---|------------------|
| Cash Acquisition Cost of Flow-Through Shares      | \$ (100,000) (A) |
| Proceeds from Sale of Common Shares               | \$ 67,000 (B)    |
| Brokerage Fee                                     | \$ (100) (C)     |
| Advisory Fee + Applicable HST/GST                 | \$ (8,000) (D)   |
| Net Invested Cash (T+3 days)                      | \$ (41,100) (E)  |
| Net Tax Benefits - Year 1                         | \$ 70,000 (F)    |
| Return on Invested Cash (\$\$\$) - Year 1 = E + F | \$ 28,900 (G)    |
| Return on Invested Cash (%) - Year 1 = G ÷ E      | 70.3%            |
| Tax on Income Inclusion - Year 2                  | \$ (16,000) (K)  |
| Total Return on Invested Cash (\$\$\$) = G + K    | \$ 12,900        |
| Total Return on Invested Cash (%)                 | 31.4%            |
| Pre-tax Equivalent Yield (%)                      | 67.6%            |

Example shows Ontario Resident

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