

# Net cost of investment of \$1,000 in flow-through shares and profit threshold, for minerals other than specified critical minerals

| Investment per block of \$1,000 in flow-through shares allocated to surface exploration incurred in Québec for minerals OTHER than specified critical minerals <sup>1</sup><br>(on January 31, 2025) |                                    |        |        |  |  |   |                  |   |   |
|--|------------------------------------|--------|--------|--|--|---|------------------|---|---|
| Taxable income <sup>2</sup><br>(\$)  | Marginal tax rate <sup>3</sup> (%) |        |        | Tax savings (\$)                             |  |   |                  | Net cost of<br>Investment for<br>\$1,000 -<br>(A+B+C)<br>(\$) | After-tax<br>Profit<br>threshold <sup>8</sup><br>(\$) |
|  | Federal <sup>4</sup>               | Québec | Total  | Federal<br>Deduction <sup>5</sup><br><br>(A) | Federal<br>Tax<br>credit <sup>6</sup><br><br>(B) | Québec<br>Deduction <sup>7</sup><br><br>(C) | Total<br>(A+B+C) |   |   |
| First 53,255   | 12.525                             | 14.000 | 26.525 | 106.46                                       | 150.00   | 168.00                                      | 424.46           | 575.54  | 613.99  |
| Over 53,255 and up to 57,375   | 12.525                             | 19.000 | 31.525 | 106.46                                       | 150.00   | 228.00                                      | 484.46           | 515.54  | 549.98  |
| Over 57,375 and up to 106,495  | 17.118                             | 19.000 | 36.118 | 145.50                                       | 150.00   | 228.00                                      | 523.50           | 476.50  | 521.10  |
| Over 106,495 and up to 114,750   | 17.118                             | 24.000 | 41.118 | 145.50                                       | 150.00   | 288.00                                      | 583.50           | 416.50  | 455.49  |
| Over 114,750 and up to 129,590   | 21.710                             | 24.000 | 45.710 | 184.54                                       | 150.00   | 288.00                                      | 622.54           | 377.47  | 423.43  |
| Over 129,590 and up to 177,882   | 21.710                             | 25.750 | 47.460 | 184.54                                       | 150.00   | 309.00                                      | 643.54           | 356.47  | 399.87  |
| Over 177,882 and up to 253,414   | 24.479                             | 25.750 | 50.229 | 208.07                                       | 150.00   | 309.00                                      | 667.07           | 332.93  | 379.36  |
| Over 253,414   | 27.555                             | 25.750 | 53.305 | 234.22                                       | 150.00   | 309.00                                      | 693.22           | 306.78  | 355.80  |

- 1 The overall cost of the investment was renounced by the issuing company. For mineral exploration OTHER than the following critical minerals: copper, nickel, lithium, cobalt, graphite, rare earth elements, scandium, titanium, gallium, vanadium, tellurium, magnesium, zinc, platinum group metals and uranium (2022 Federal Budget Speech).
- 2 Taxable income brackets used correspond to those in the Income Tax Act (federal) and in the Taxation Act (Québec).

- 3 Marginal rates in 2025 for \$1,000 of additional income. However, “real” marginal rates may be higher if an increase in tax income results in a reduction of socio-fiscal benefits paid by governments, or in a reduction of certain tax credits, which decrease as tax income increases. (Source: CQFF. Valid as of January 21, 2025.)
- 4 Federal tax rates take into account the 16.5% abatement of basic federal tax for all Québec residents.
- 5 In order to include the taxation of the mineral exploration tax credit, it is assumed that the investor claims an 85% deduction of exploration costs per block of \$1,000.
- 6 15% Mineral Exploration Tax Credit (METC), cut-off date: March 31, 2025.
- 7 The maximum deduction is 120% of the cost of flow-through shares issued.
- 8 The profit threshold represents the sale price necessary to recover the net cost of the share after taxes. This threshold is determined in accordance with provisions concerning capital gains (Federal: 50% rate and Québec: exemption of the deemed capital gain).

The table reflects fiscal provisions applicable to an individual residing in Québec who is not subject to minimum replacement tax. Issue costs on flow-through shares are not considered.