

Net cost of investment of \$ 1 000 in flow-through shares and profit threshold

| Investment per block of \$ 1000 in flow-through shares covering surface exploration ¹ (in 2019) | | | | | | | | | |
|---|------------------------------------|--------|-------|---------------------------------------|---------------------------|--------------------------------------|---------------|---|--|
| Taxable income ² (\$) | Marginal tax rate ³ (%) | | | Tax savings (\$) | | | | Net cost of investment of \$ 1 000 - (A+B+C) (\$) | After-tax profit threshold ⁷ (\$) |
| | Federal ⁴ | Québec | Total | Federal Deduction ⁵ (A) | Federal Tax credit (B) | Québec Deduction ⁶ (C) | Total (A+B+C) | | |
| 47 630 (F) / 43 790 (Qc) | 12,53 | 15,00 | 27,53 | 106,46 | 150,00 | 180,00 | 436,46 | 563,54 | 601,19 |
| 95 259 (F) / 87 575 (Qc) | 17,12 | 20,00 | 37,12 | 145,50 | 150,00 | 240,00 | 535,50 | 464,50 | 507,98 |
| 147 667 (F) / 106 555 (Qc) | 21,71 | 24,00 | 45,71 | 184,54 | 150,00 | 288,00 | 622,54 | 377,47 | 423,43 |
| 210 371 (F) / 106 556 and more (Qc) | 24,22 | 25,75 | 49,97 | 205,83 | 150,00 | 309,00 | 664,83 | 335,17 | 381,34 |
| 210 372 and more (F) / 106 556 and more (Qc) | 27,56 | 25,75 | 53,31 | 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.
- 2 Taxable income levels used correspond to those in the Income Tax Act (federal) and in the Taxation Act (Québec).
- 3 Marginal rates for \$1000 of additional income.
- 4 The federal tax rates take into account the abatement of 16.5 % in the basic federal tax rate for residents of Québec.
- 5 In order to include the taxation of the mineral exploration tax credit, the hypothesis is that the investor claims a deduction of 85 % of exploration costs per block of \$ 1000.
- 6 The maximum deduction is 120 % of the cost of flow-through shares issued.
- 7 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).

For fiscal year 2019, the table reflects fiscal provisions applicable to an individual residing in Québec who benefits from multiple tax shelters and is not subject to minimum replacement tax. Issue costs on flow-through shares are not considered.