How it works

Using our easy-to-follow coin presentation

Option 1: Donating $1 Using Flow-Through Shares

Purchase $1.50

of resource flow-through shares at closing

Receive $0.75

in tax savings

assuming 50% tax rate and quarterly tax instalments can be reduced immediately

Option 1: Donating $1 Using Flow-Through Shares

Investor sells the **$1.50** of flow-through shares to Liquidity Provider at closing for **$1**.

Investor no longer has any stock market risk

Receive $1.00 cash from Liquidity Provider at closing.

Liquidity Provider takes on Stock Risk for the benefit of buying the shares at 33% discount.

Option 1: Donating $1 Using Flow-Through Shares

Receive a Charitable Tax Receipt for making a **$1 cash donation**

This donation to charities of your choice results in a **tax savings of $0.50**

The market value is based on the selling price of the share to the liquidity provider

Option 1: Donating $1 Using Flow-Through Shares

$1.50 purchase of flow-through shares

$1.25 in tax savings

$0.25 cost to donate $1.00

LESS

=

$0.75 Flow-Through Purchase

$0.50 Charitable Donation

+

Option 1: Donating $1 Using Flow-Through Shares

Regular donation of $1.00 to charity

$0.50 cost

Donation of $1.00 to charity through WCPD's Flow-Through Offerings

$0.25 cost

Option 2: Tax Reduction Without Donation

Keep $1.00 from the sale of the share to a liquidity provider

Make $0.25 profit

Keep cash at closing from sale

Tax saved

Total flow-through purchase of **$1.50**

+

Total benefit of $1.75

Option 3: Using Both Options to Minimize Cost *(Most Popular)*

Option 1:
Donation of $1.00

+

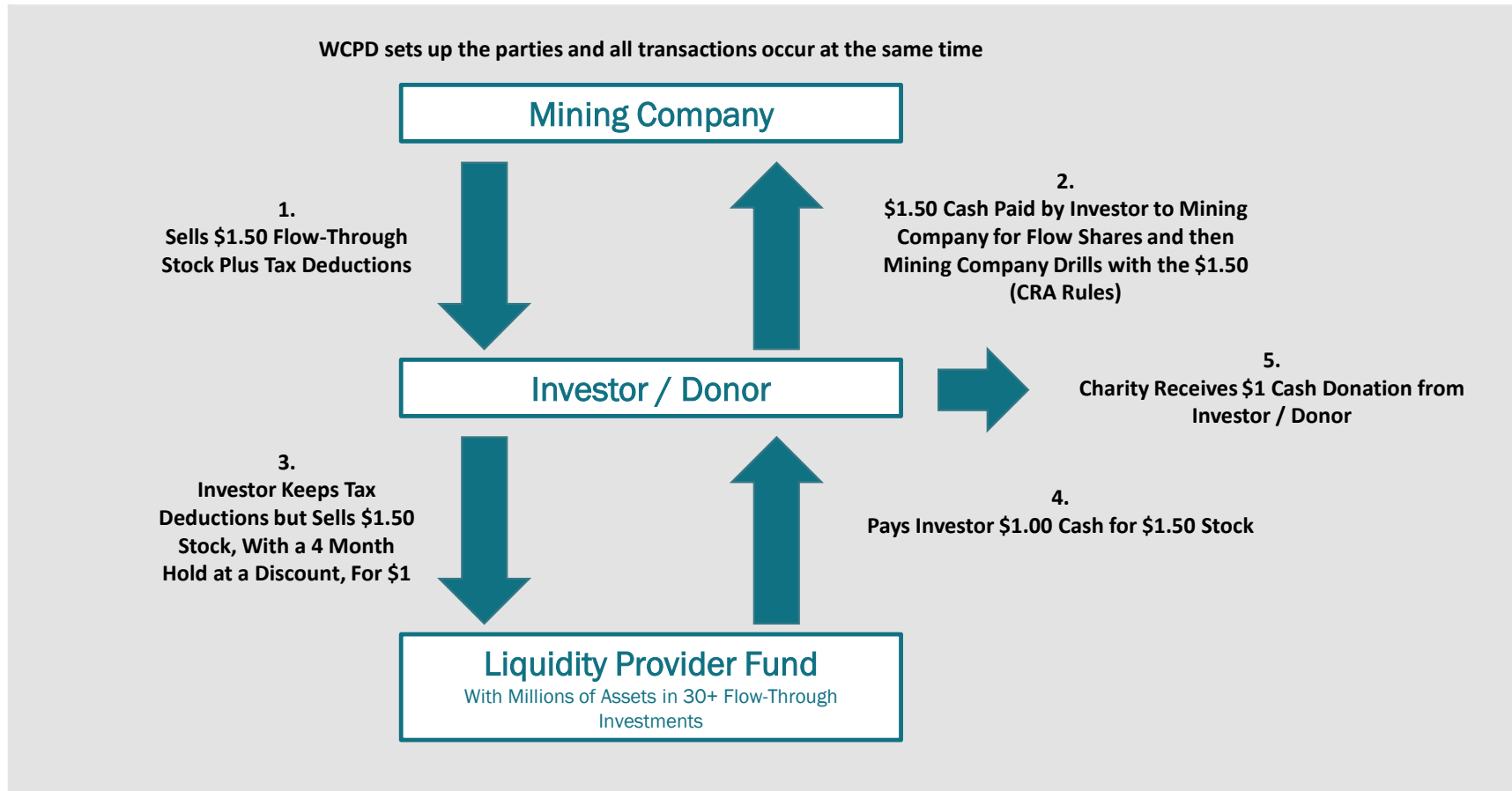**Option 2:**
Keep $1.00

=

Together:
Donation of $1.00

$0.25 cost

$0.25 profit

$0.01 cost

How Flow-Through Shares Work

WCPD sets up the parties and all transactions occur at the same time

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Mining Company

1.
Sells $1.50 Flow-Through Stock Plus Tax Deductions

2.
$1.50 Cash Paid by Investor to Mining Company for Flow Shares and then Mining Company Drills with the $1.50 (CRA Rules)

Investor / Donor

5.
Charity Receives $1 Cash Donation from Investor / Donor

3.
Investor Keeps Tax Deductions but Sells $1.50 Stock, With a 4 Month Hold at a Discount, For $1

4.
Pays Investor $1.00 Cash for $1.50 Stock

Liquidity Provider Fund
With Millions of Assets in 30+ Flow-Through Investments

After Tax Cost of 3 Donation Methods

*Assuming 50% Tax Bracket, avg. across Canada

DONATION METHOD	AFTER TAX COST TO DONATE $1.00
Cash (80% of all donations)	• 50c
Public Stock	• 38c if stock doubles • 27c if stock grows tenfold • 25c is lowest possible (founder, $0 ACB) • Range depends on size of capital gain saved
Flow-through Shares	• 25c to as low as 1c cost to donate $1.00 • Made possible by optimizing the combination of the two tax policies to maximize tax savings

Foundation WCPD