

Professional Development

STRUCTURED FLOW-THROUGH SHARE PLANNING: OPPORTUNITIES AND IMPLEMENTATION

January 20, 2026
12:00 pm to 1:30 pm



ONTARIO
BAR ASSOCIATION
A Branch of the
Canadian Bar Association

oba.org/pd

PROGRAM PARTICIPANTS

DEVON MOLLOY (PROGRAM CHAIR and SPEAKER)

Associate, Linmac LLP. My practice focuses primarily on mergers & acquisitions in the private mid-market, corporate governance and general corporate and commercial law. I have experience advising both privately held and publicly traded entities and their equity holders on various transactional matters.

TAMARA BROWN

Tamara joined Oberon in June 2022 to lead the capital markets side of Oberon. Tamara is a mining industry professional with 30 years of experience in the mining and capital markets sectors. She has held increasingly senior roles with international mining companies including as Interim CEO, Vice President Corporate Development and Vice President Investor Relations. She is currently an independent director of Orla Mining Ltd. (TSX:OLA), New Found Gold Corp. (TSXV:NFG) and Lithium Royalty Corp. (TSX:LIRC). Tamara was previously a professional engineer in the mining industry and a partner of a boutique investment banking firm. She has a Bachelor of Engineering degree from Curtin University in Australia and has completed the Chartered Business Valuator course at York University.

HENRY KORENBLUM

Henry joined Oberon Capital Corporation in early 2023. Henry is a trusted and highly experienced consultant to accomplished business owners and affluent families on matters associated with transition and wealth planning. In addition to being a Chartered Professional Accountant, Chartered Accountant (CPA, CA), Henry is a Chartered Investment Manager (CIM), a Certified Financial Planner (CFP), a Trust and Estate Practitioner (TEP), a Master Financial Advisor – Philanthropy (MFA-P), a Family Enterprise Advisor (FEA), and a U.S. Certified Public Accountant (CPA, Illinois). Henry has earned his Master of Business Administration (MBA) from the Schulich School of Business. Henry has completed Levels I, II, and III of the CPA Canada In-Depth Tax Program and has been a Group Study Leader for the Program. Henry has also taught a Tax Course with the University of Toronto.



Flow-Through Shares Explained

Tamara Brown

July 2025

Cautionary Statement

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This document contains forward-looking statements which are based on various assumptions as well as the opinions and estimates of management as of the date such statements are made. Forward-looking statements involve known and unknown risks and uncertainties which may cause actual results to be materially different from any future results expressed or implied by the forward-looking statements. Accordingly, readers should not place undue reliance upon forward-looking statements. This document does not constitute an offer to sell or solicitation to purchase securities of any issuer and is not intended as a solicitation or offering of securities in any jurisdiction. No securities commission or other regulatory authority in any jurisdiction has in any way passed upon the information contained herein and no representation or warranty is made by Oberon to that effect. Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of any investment.

This presentation seeks to educate the audience on the advantages of donating flow-through shares to registered Canadian charities. The examples in this presentation are for illustrative purposes only and assume that donors are taxed at the highest marginal tax rate. The benefits available to donors will vary from transaction to transaction. All donors and charities should seek independent counsel to ensure that participating in the Flow-Through Donation Benefit is appropriate for their individual circumstances.

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.



\$2.2
BILLION
RAISED

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

\$600
MILLION
DONATED

Oberon has facilitated in excess of \$600 million in donations by Canadian philanthropists to registered charities across Canada.

\$1.5
BILLION
INVESTED

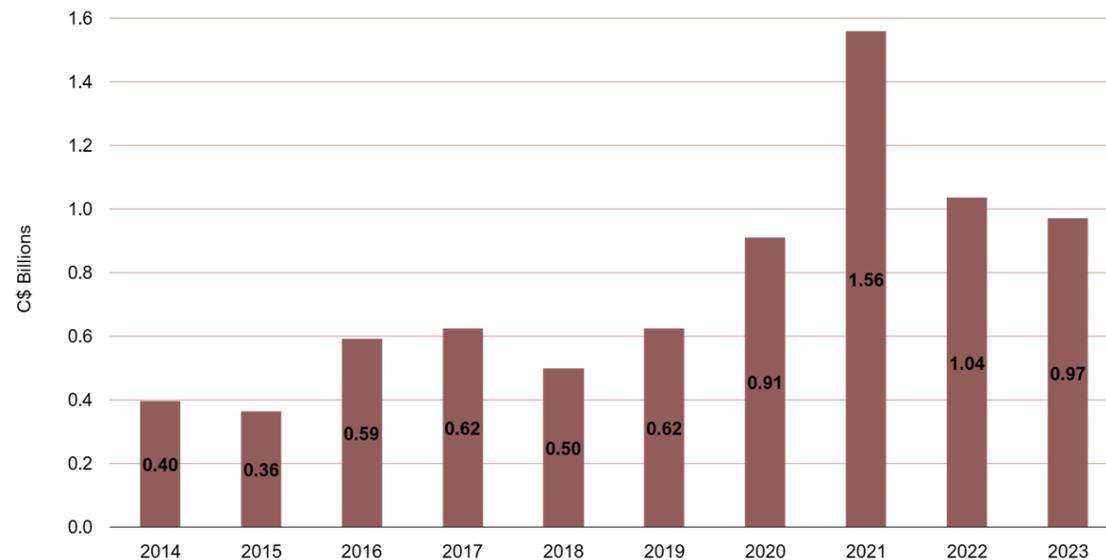
Oberon has expanded the universe of resource exploration capital for Canada by attracting over \$1.5 billion from institutional investors around the world.

What is a Flow-Through Share?

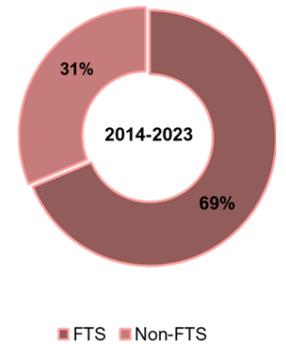
A flow-through share is a type of common share that permits the initial purchaser to claim a tax deduction equal to the amount invested. The Flow-Through Share regime was introduced in Canada in the 1970s to encourage investment in natural resource exploration across the country. It allows public companies 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 (2014-2023)



Source: PDAC

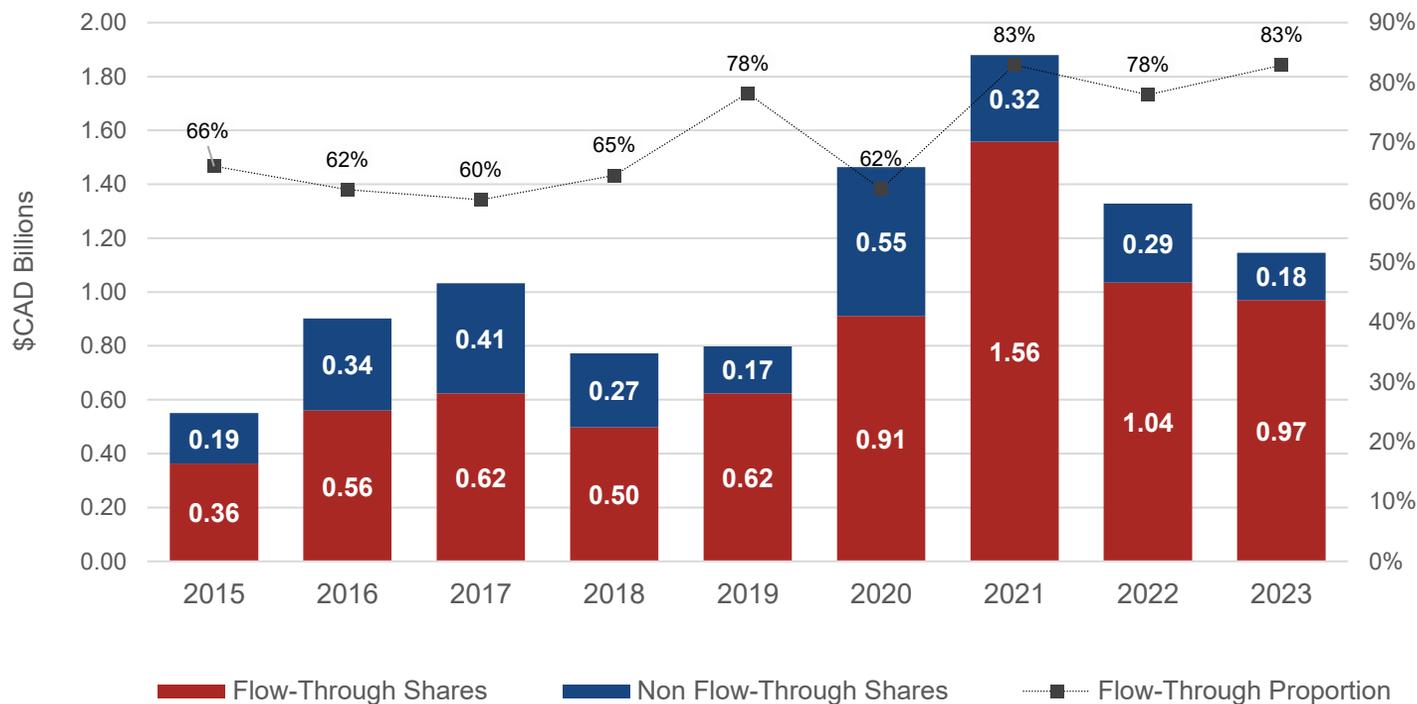


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Flow-through Share Financings (2014-2023)



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

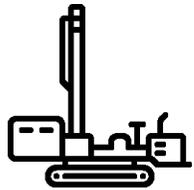
STEP 3

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/

What Is Charity Flow-through Financing?



RESOURCE COMPANY

- Resource company issues flow-through shares to fund exploration and development activity on Canadian asset.
- Subscriber or Donor buys the shares and every dollar invested in these shares is 100% tax deductible.



DONOR

- Donor immediately donates the shares to their charity of choice.
- Donor receives charitable tax receipt.
- Issuer transfers the Canadian Resource Exploration Deductions and Tax Credits to the Donor.



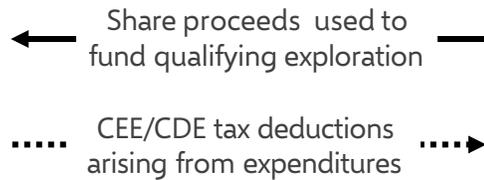
CHARITY

- Charity immediately sells shares to a pre-determined buyer at a pre-determined price for cash (often an institutional or strategic buyer, often at a discount to market).
- This eliminates any stock market risk to the Charity.

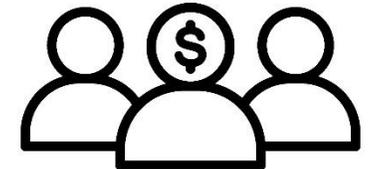
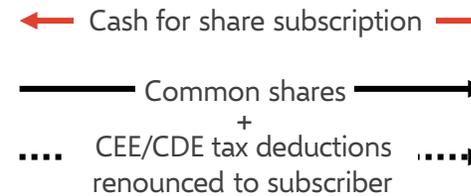
The Flow-Through Process



**CANADIAN
MINERAL
PROPERTY**



**RESOURCE
COMPANY**



**SUBSCRIBER/
DONOR**

Benefits For The Company



PREMIUM

- Issue flow-through shares at a premium to market, reducing dilution.
- Optimal financing for surface and underground exploration and development.



LARGE CAPITAL POOL

- Provides access to large global capital pool by providing an opportunity for institutional & strategic investors to acquire the underlying common stock at or below market.
- Attract and increase the value of strategic investor participation.



PROVEN

- Flow-through is proven and has been part of the Income Tax Act (Canada) for over 30 years.
- Flow-through is designed to encourage investment into the Canadian resource exploration and development sector.

Benefits For The Donor



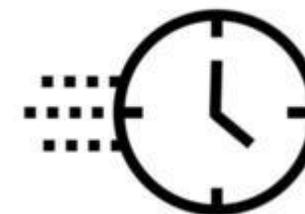
REDUCED COST

- Reduces the after-tax cost of charitable giving by >80%.



TAX EFFECTIVE

- Oberon structures the transaction to ensure the Donor maximises the cash that goes to the charity.



IMMEDIATE

- All transactions occur on the Closing Date and are fully compliant with all securities regulations.

Benefits For The Investor



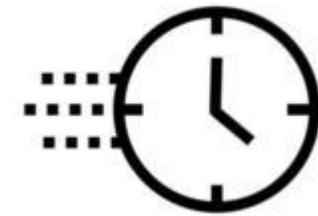
SIMPLE

- For an end-buyer or investor, it's the same as buying new issue common shares or units via private placement.
- Standard purchase and sale documentation.
- Oberon manages all aspects of all trades.



INCREASED VALUE

- Make investment at or below market.
- Magnify the value of every dollar invested by 40-100%.



IMMEDIATE

- All transactions occur on the Closing Date and are fully compliant with all securities regulations.
- No additional fees or incremental expenses for Issuers or Investors.

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

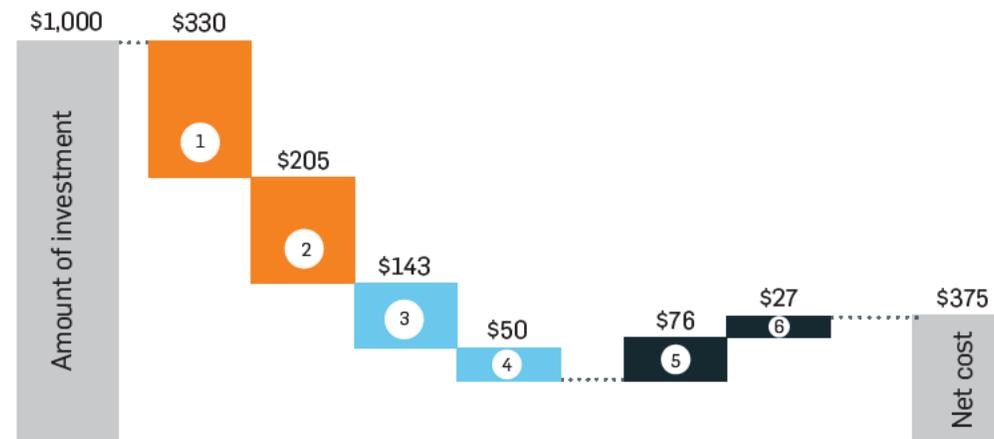
Personal Format

- 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

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.

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January 2026



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Structured Flow-Through Share Strategies

Henry Korenblum

January 2026

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Agenda

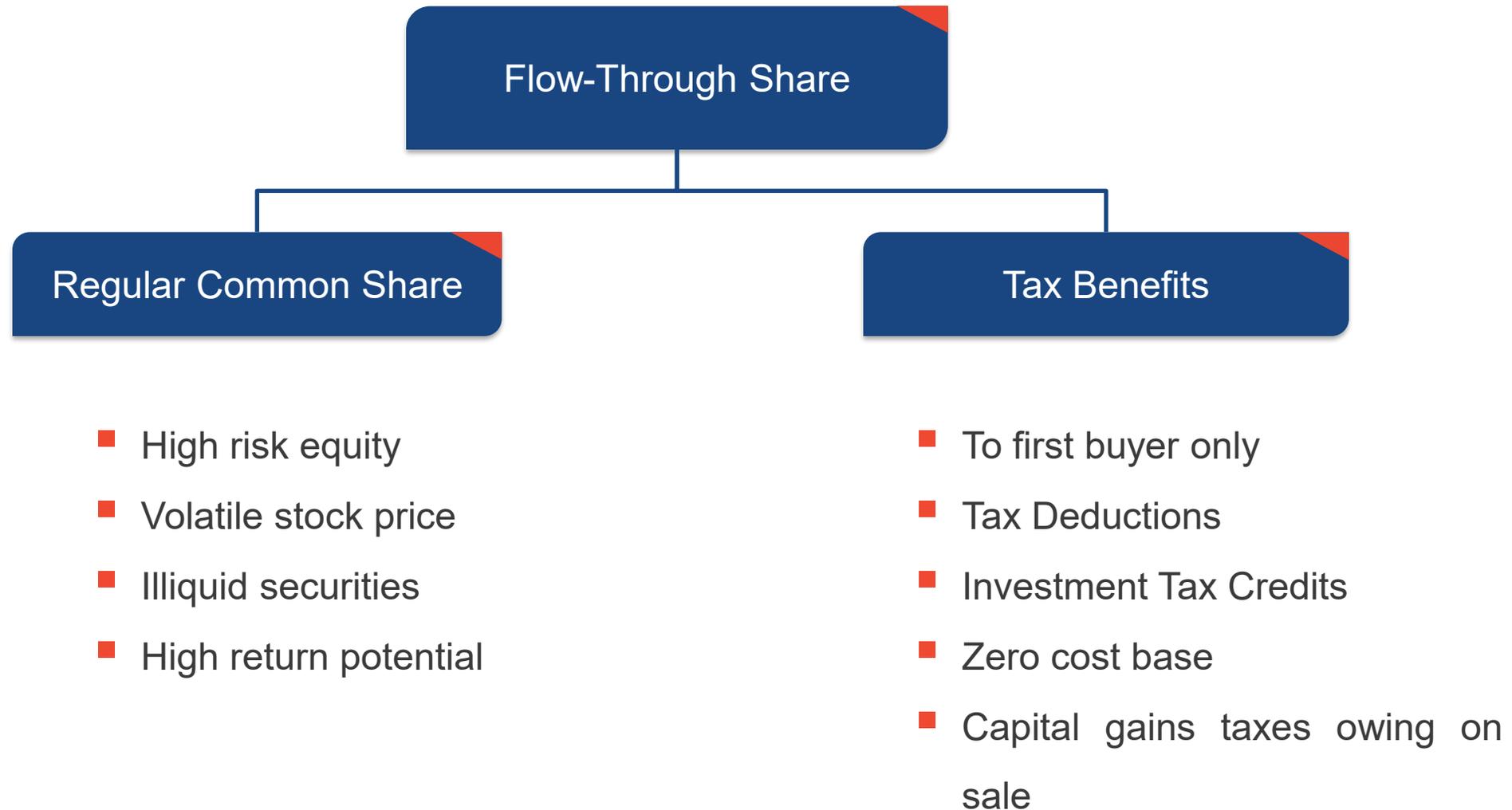
- Introductions
- Overview and Background: What are Flow-Through (“FT”) Shares?
- What is Charitable FT Planning?
 - How does it work?
 - What are the benefits and risks to the donor, issuer, and investor?
- What is Structured FT Planning?
 - How does it work?
 - What are the benefits and risks to the donor, issuer, and investor?
- Examples of Individual and Corporate FT Planning
- Integration of FT Planning with your Legal Practice
- Q & A

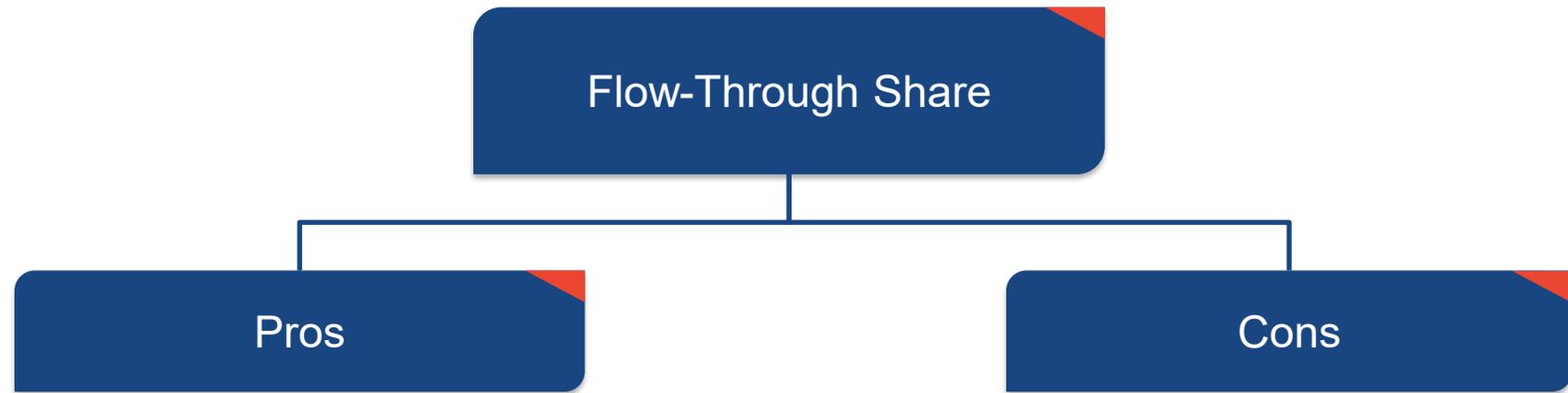
Who We Are

- Market leader in Flow-Through Share Donation (FTSD) financing
- Completed over 500 transactions since 2009, raising over \$2.3 billion in Flow Through Shares for charitable donations and tax reduction strategies
- Provide a seamless and efficient turnkey service for donors, advisors, investors and charities
- Exempt Market Dealer (EMD) and IFM registered in all provinces as a Portfolio Manager

Flow-through Shares – How They Work

- Resource company issues new shares to investors and renounces the right to claim deductions on eligible expenditures
- Investors who purchase flow-through shares can claim the deductions (100%) against income and have a zero cost base on the stock
- Investors in mining sector receive Federal tax credits (METC or CMETC) as well as Provincial credits in some cases
- Investors pay capital gains tax on sale of flow-through shares (zero cost base)





- High potential return
- Tax benefits

- High Risk
- Volatile
- Illiquid
- 4-month hold period
- Difficult to source

Structured Flow-Through

Charity Flow-Through: How it works



RESOURCE
COMPANY



DONOR



CHARITY

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

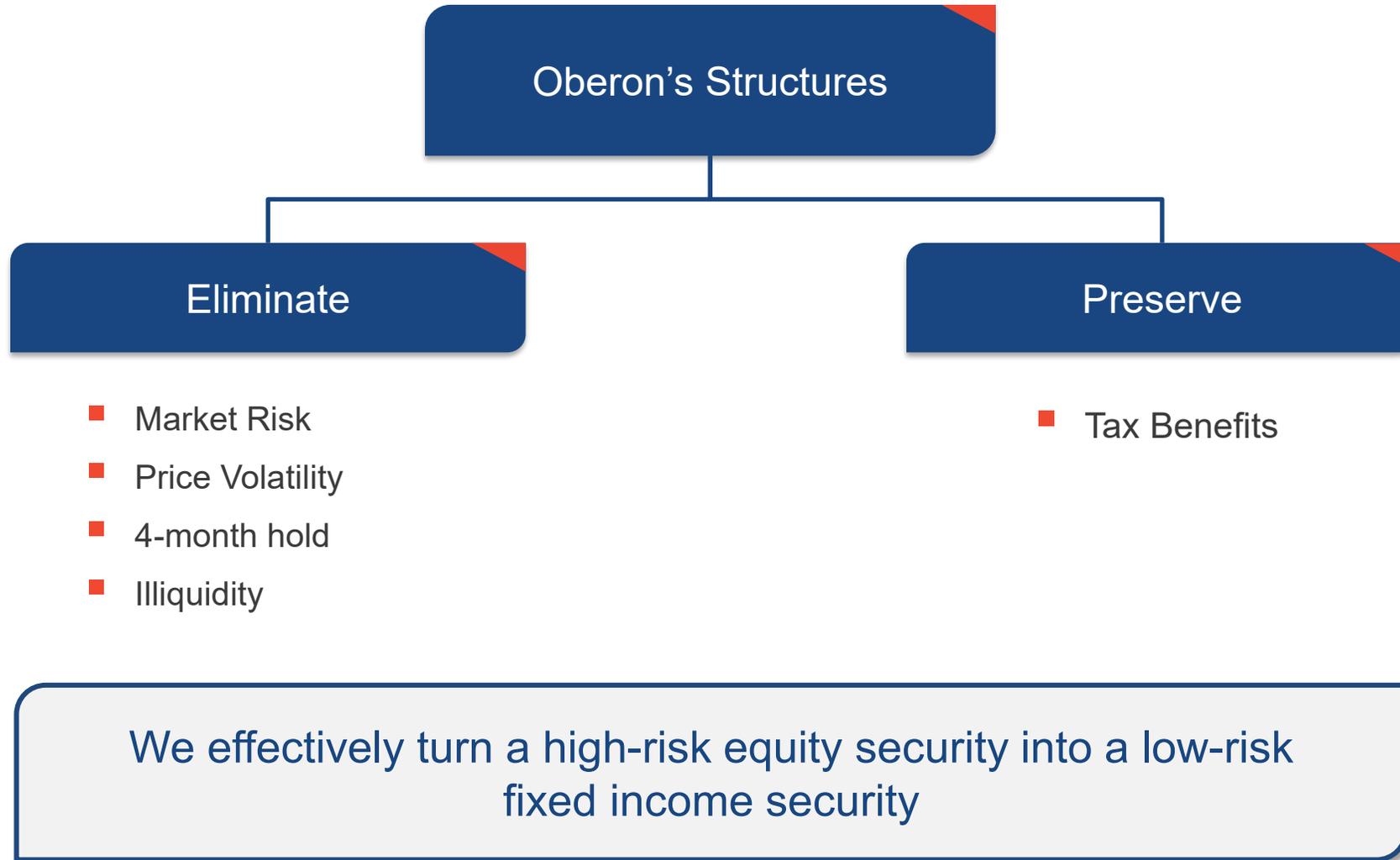
Charities immediately sell the
shares to an institutional or
strategic investor

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

Structured Flow-Through Share Investing

- Keep benefits of Flow-Through Shares:
 - Tax benefits
 - Provide capital to resource companies

- Eliminate the negatives associated with Flow-Through Shares:
 - Risk of loss
 - Liquidity concerns
 - Uncertainty



The Flow Through Benefit (“FTB”)

Pure Tax Reduction Strategy

FTB Benefits

- Pure tax reduction strategy – no donation
- High after-tax return – 20% or higher
- Very high pre-tax return – greater than 45%
- Simple stock trade – purchase and sale on same day with no market or liquidity risk

Oberon FTB Investment

Return on Investment by Province - Individuals

Province *	After-Tax Return	Pre-Tax Equivalent
British Columbia	35%	75%
Manitoba	25%	51%
Ontario	27%	58%
Quebec	30%	65%
Saskatchewan	34%	67%

* The structure works in all provinces; please ask for examples in any desired province.

Oberon FTB Tax Reduction

Per \$100,000 Net Investment by Ontario Individual

<i>Cash Acquisition Cost of Flow-Through Shares</i>	\$ (264,000)
<i>Proceeds from Sale of Flow-Through Shares less Fees</i>	\$ 164,000
<i>Net Invested Cash</i>	<u>\$ (100,000)</u>
<i>Net Tax Benefits - Year 1</i>	\$ 148,000
<i>Return on Invested Cash (%) - Year 1</i>	48.0%
<i>Tax on Income Inclusion - Year 2</i>	\$ (20,000)
<i>Total Return on Invested Cash (\$\$\$)</i>	\$ 28,000
<i>Total Return on Invested Cash (%)</i>	28.0%
<i>Pre-tax Equivalent Yield (%)</i>	59.2%

Oberon FTB Investment

Return on Investment* by Province – Private Corporations

Province **	After-Tax Return	Pre-Tax Equivalent
British Columbia	40%	100%
Manitoba	28%	65%
Ontario	30%	81%
Quebec	33%	95%
Nova Scotia	40%	101%

* Returns shown for companies with passive income. The structures also work for active income in most provinces

** The structure works in all provinces; please ask for examples in any desired province.

Oberon FTB Tax Reduction

Eliminate Taxes on \$1mm Passive income by Ontario CCPC

<i>Cash Acquisition Cost of Flow-Through Shares</i>	\$ (1,400,000)
<i>Proceeds from Sale of Flow-Through Shares less Fees</i>	\$ 910,000
<i>Net Invested Cash</i>	<u>\$ (490,000)</u>
<i>After-Tax Cash in Corporation</i>	\$ 510,000
<i>CDA Created</i>	\$ 510,000
<i>After-Tax Cash to Shareholders</i>	\$ 510,000
<i>After-Tax Profit to Shareholders (\$\$\$)</i>	\$ 90,000
<i>Total Return on Invested Cash – Corporate Level (%)</i>	35.0%
<i>Total Return on Invested Cash – Shareholder Level (%)</i>	43.5%

Eliminate Taxes on \$1mm Passive income by Ontario CCPC

Corporate Cash Flow & Tax Analysis					
	<i>Status Quo</i>		<i>Flow Through Benefit</i>		
	<i>Taxable Income</i>	<i>Cash Flow</i>	<i>Taxable Income</i>	<i>Cash Flow</i>	
<i>Net Passive Income</i>	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	A
<i>Cash Acquisition Cost of Flow-Through Shares</i>	\$ -	\$ -	\$ -	\$ (1,389,376)	B
<i>Proceeds from Sale of Flow-Through Shares</i>	\$ -	\$ -	\$ -	\$ 999,551	C
<i>Brokerage Fee</i>				\$ (1,000)	D
<i>Advisory Fee + Sales Tax</i>	\$ -	\$ -	\$ (109,900)	\$ (109,900)	E
<i>CEE Deduction (Please See Note)</i>	\$ -	\$ -	\$ (1,389,376)	\$ -	
<i>Taxable Capital Gain</i>	\$ -	\$ -	\$ 499,276	\$ -	F=(C+D)/2
<i>Taxable Income</i>	\$ 1,000,000		\$ 0		
<i>Income Tax Payable</i> 50.17%		\$ (501,700)		\$ (0)	
<i>After-Tax Cash in Corporation</i>		\$ 498,300		\$ 499,276	
<i>Dividend Refund</i> 30.67%		\$ 306,667		\$ 0	
<i>Net Cash Available for Dividends</i>		\$ 804,967		\$ 499,276	
<i>Capital Dividend Account ("CDA") Addition</i>		Nil		\$ 499,276	F=(C+D)/2
<i>Capital Dividends paid</i>		\$ -		\$ (499,276)	
<i>Non-Eligible Dividends paid</i>		\$ (804,967)		\$ (0)	
<i>Retained Earnings</i>		\$ -		\$ -	

Shareholder Cash Flow & Tax Analysis					
	<i>Status Quo</i>		<i>FTB Year 1</i>		
	<i>Taxable Income</i>	<i>Cash Flow</i>	<i>Taxable Income</i>	<i>Cash Flow</i>	
<i>Capital Dividend Received</i>	\$ -	\$ -	\$ 499,276	\$ 499,276	
<i>Non-Eligible Dividend Received</i>	\$ 804,967	\$ 804,967	\$ 0	\$ 0	
<i>Income Tax on Non-Eligible Dividend</i> 47.74%	\$ (384,291)	\$ (384,291)	\$ (0)	\$ (0)	
<i>Net Cash Position</i>	\$ 420,676		\$ 499,276		
<i>Investment Amount *</i>			\$ 210,642		G
<i>Fully Integrated After-Tax return on Investment</i> (\$\$\$)			\$ 78,600		H
<i>Fully Integrated After-Tax return on Investment</i> (%)			37.3%		I - H/G

FTB with Capital Losses

- Monetize capital loss carry forward
- Significantly increase the immediate cash return
- Very high pre-tax return – greater than 100%
- Simple stock trade – purchase and sale on same day with no market or liquidity risk

The Flow-Through Donation Benefit (“FTDB”)

The Oberon Advantage

Oberon enables the fulfillment of charitable gifts pledged by donors while:

- Significantly reducing the after-tax cost of giving
- Delivering significant additions to the Capital Dividend Account (CDA) for Canadian Controlled Private Corporations
- Eliminating market and liquidity risk to both donor and charity
- Multiple Advance Tax Rulings from CRA and Revenu Quebec

FTDB Formats

- Personal Donation – made by individual
- Corporate Donation - For Canadian Controlled Private Corporations (CCPC) earning either Active or Passive Income
 1. Exploration – CEE – 100% of benefits in current year
 2. Development – CDE – Deductions at 30% per year on declining basis

FTDB Benefits

- Maintain current gifts at reduced after-tax cost, thus preserving or enhancing donor/shareholder net worth
- Increase giving for the same after-tax cost of donation
- Provide a fundraising advantage for client lay leaders
- Use of donor advised fund (DAF); single tax receipt for multiple donations

Oberon FTDB Gifting Arrangement

Cost of Giving Comparison – Per \$100,000 Donation by Individual

Province *	Cash Donation	Oberon Donation **	After-Tax Savings
British Columbia	\$46,500	\$1,000	\$45,500
Manitoba	\$49,600	\$10,000	\$39,600
Ontario	\$50,000	\$10,000	\$40,000
Quebec	\$46,700	\$1,000	\$45,700
Alberta	\$46,000	\$15,000	\$31,000

* The structure works in all provinces; please ask for examples in any desired province.

** The structure can be customized to provide an even lower cost if desired.

Oberon FTDB Gifting Arrangement

Personal Donation – Ontario – Per \$100,000 Donation

<i>Cash Acquisition Cost of Flow-Through Shares</i>	\$ (380,000)
<i>Proceeds of Sale of Shares - 2 days post-closing</i>	\$ 130,000
<i>Net Cash Out-of-Pocket on Closing</i>	<u>\$ (250,000)</u>
<i>Net Tax Benefits - Year 1</i>	<u>\$ 270,000</u>
<i>Cash Position -Year 1</i>	<u>\$ 20,000</u>
<i>Tax on Income Inclusion - Year 2</i>	<u>\$ (30,000)</u>
<i>Net After-Tax Cost of Donation (\$\$\$)</i>	\$ (10,000)
<i>Net After-Tax Cost of Donation (%)</i>	10.0%

Oberon FTDB Gifting Arrangement

Cost of Giving Comparison – Per \$100,000 Donation by Private Corporation

Province *	Cash Donation	Oberon Donation **	After-Tax Savings
British Columbia	\$41,000	\$5,000	\$36,100
Manitoba	\$43,000	\$12,000	\$31,000
Ontario	\$42,000	\$9,000	\$33,000
Quebec	\$41,300	\$7,000	\$34,300
Nova Scotia	\$40,300	\$7,000	\$33,300

* The structure works in all provinces; please ask for examples in any desired province.

** The structure can be customized to provide a lower cost if desired

Oberon FTDB Gifting Arrangement

Corporate Donation – Passive Income – Ontario – Per \$100,000 Donation

Corporate Cash Flow & Tax Analysis						
Corporate Summary		No Donation	Cash Donation		FTDB Donation	
		Taxable Income	Taxable Income	Cash Flow	Taxable Income	Cash Flow
Net Passive Income		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Retained Earnings		\$ -	\$ -	\$ -	\$ -	\$ -
Cash Acquisition Cost of Flow-Through Shares		\$ -	\$ -	\$ -	\$ -	\$ (500,000)
Proceeds from Sale of Flow-Through Shares		\$ -	\$ -	\$ -	\$ -	\$ 220,627
Brokerage Fee		\$ -	\$ -	\$ -	\$ (221)	\$ (221)
CEE Deduction		\$ -	\$ -	\$ -	\$ (500,000)	\$ -
Taxable Capital Gain		\$ -	\$ -	\$ -	\$ 178,461	\$ -
Donation		\$ -	\$ (100,000)	\$ (100,000)	\$ (136,516)	\$ -
Taxable Income		\$ 500,000	\$ 400,000	\$ -	\$ 41,945	\$ -
Income Tax Payable	50.17%	(250,850)		\$ (200,680)		\$ (21,044)
After-Tax Cash Available		\$ 249,150		\$ 199,320		\$ 199,363
Dividend Refund	30.67%	\$ 153,333		\$ 122,667		\$ 12,863
Net Cash Available for Dividends		\$ 402,483		\$ 321,987		\$ 212,226
Capital Dividend Account ("CDA") Addition		Nil		Nil		\$ 178,461
Capital Dividends paid		\$ -		\$ -		\$ (178,461)
Non-Eligible Dividends paid		(402,483)		\$ (321,987)		\$ (33,765)
Retained Earnings		\$ -		\$ -		\$ -
Shareholder Cash Flow & Tax Analysis						
		No Donation		Cash Donation		FTDB Year 1
Capital Dividend Received		\$ -		\$ -		\$ 178,461
Non-Eligible Dividend Received		\$ 402,483		\$ 321,987		\$ 33,765
Income Tax on Non-Eligible Dividend	47.74%	\$ (192,146)		\$ (153,716)		\$ (16,119)
Net Cash Position		\$ 210,338		\$ 168,270		\$ 196,107
Fully Integrated After-Tax Cost of Giving	(\$\$\$)			\$ 42,068		\$ 14,231
Fully Integrated After-Tax Cost of Giving	(%)			42.1%		14.23%

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