

Mining for Good: The Hidden Benefit to Canadian Charities

written by Jeff Todd | November 30, 2022

When a new mining operation begins, we understand the economic benefits.

We know this industry is responsible for over 700,000 direct and indirect jobs in Canada. Or that it generates more than \$100 billion for our economy. The fact it is the number one employer of Indigenous Peoples makes it even more important.

But what if I told you that exploration is not just having an impact on our economy, but also on Canadian charities?

A gold mine in British Columbia could mean millions in donations for cancer research, for example. That nickel deposit in Ontario? It can help build a new wing in a children's hospital, or secure that crucial piece of equipment.

It's a perspective that might not be common in the mining industry—but it is an important one, especially in the world of today.

In May 2006, our firm [WCPD Inc.](#) (Wealth, Creation, Preservation & Donation) made financial services history when Dr Earl Wynands, an eminent anesthesiologist and Order of Canada recipient, participated in the first flow-through share donation structure.

WCPD combined two distinct, yet harmonious tax policies: one to assist our important resource sector, and another to boost what Canadians can give to charities.

Both tax policies are older than your RRSP.

Beginning in 1954, Canadians investing in flow-through shares have received a 100% tax deduction. These shares help exploration stage mining companies, with the potential for far-reaching economic benefits from exploration projects that become producing mines.

“It helps us find more exploration dollars, which helps uncover economic mineral deposits, which helps create jobs and a lot of tax revenue for Canada,” Walter Coles Jr. explains, CEO of Skeena Resources Limited (TSX: SKE | NYSE: SKE) in British Columbia.

“I would say flow-through shares have been critically important to the viability of mineral exploration in Canada.”

Skeena Resources, based in Vancouver, is developing two projects in the “Golden Triangle” of Northern BC, an area known for its rich deposits of copper, silver and gold. A pre-feasibility study was recently completed, with a full feasibility study expected in the first quarter of next year.

WCPD has worked with Skeena to raise close to \$100 million in charity flow-through for these projects. During the spring of 2020, we brokered the largest single raise in our company’s history—\$33.3 million, in the very teeth of the pandemic. And we expect to continue to play an important role in financing Skeena’s future exploration programs.

Our ability to raise capital for junior mining across Canada is outstanding. But there is another story. There are Canadian registered charities, receiving millions in charitable donations that they might not have otherwise received.

Since that day with Dr. Wynands, our firm has also facilitated more than \$300 million in net charitable giving via flow-through shares for our clients across Canada. Not to mention over \$1

billion of flow-through for mining companies to invest in Canadian exploration.

This is the story behind exploration— and I believe, as we emerge from the worst public health crisis in a generation, it deserves to be told more than ever.

Once flow-through shares are purchased by our clients, they don't hold them for long—often less than a minute. The buyer can then sell their shares, at a discount, to a third party, or liquidity provider, thus eliminating any stock market risk for the investor or donor, and/or donate the shares to a registered charity. The charity then sells the shares at the same discounted price, to the liquidity providers. Liquidity providers are usually expert mining institutional investors with a long-term horizon.

Meanwhile, the liquidity provider takes on the stock risk for the standard four-month private placement hold period. For most of our clients, this is a key benefit.

Together, these tax policies allow our clients, on average, to give up to three times more to charity, at no additional cost due to the tax efficiency.

“Flow-through shares have long been an efficient and tax-effective way for our donors to give more to our Foundation,” Tim Kluge says, President and CEO of the Ottawa Hospital Foundation. “It continues to play an important role in our mission to deliver a better tomorrow.”

Some of our clients keep a portion of the cash from the liquidity provider sale to make a positive investment return via tax savings. But most use the structure to leverage the size of their donations to charities of their choice.

It's the whole reason why this tax structure exists—Canada wants more exploration, to create jobs, and it wants more donations for registered Canadian charities. They are simply different sides of the same coin.

It's an amazing feeling when a donor could have cut a cheque for \$100,000 for a food bank. But after using flow-through shares, she now gives \$300,000. It often causes the donor to be that much more generous.

And in this post-pandemic world, there is no doubt that charities need our help more than ever.

The message is clear: if you have a taxable income greater than \$250,000, recently sold a business, or experienced a large capital gain, you can kill two birds with one stone. You can help Canada's mining industry, while also giving more to charities that need our help.

So the next time you see a mining exploration, consider this: that operation may also be funding a Canadian charity.

WCPD's Peter Nicholson Explains the Win-Win of the Critical Minerals Charitable Flow Through Model

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In this InvestorIntel financial education series interview, host

Peter Clausi talks to [WCPD Inc.](#)'s Founder and President Peter Nicholson on the art of the charitable flow through model. Starting with the history of the flow through, Peter Clausi explains that "flow through" was invented by the Canadian government to help stimulate investment in Canadian minerals and oil and gas. Peter Nicholson goes on to say that with "the government of course wants us to explore more and they want to shoulder some of that risk" and that's where the WCPD win-win strategy begins.

WCPD, a leading exempt market dealer for the Canadian resource and mineral exploration sector that has facilitated more charitable flow-through deals than any firm in Canada, Mr. Nicholson guides investors through the unique opportunities this financial model presents to investors. With a change in tax laws in 2006, Peter understood that donations could be maximized and capital gains avoided on flow through shares "if you donate public shares to your favorite charity." In addition to the 100% tax deduction for buying flow through shares, Peter explains, if the buyer then donates these shares to charity, the shares are then instantly sold to a pre-arranged buyer at a pre-arranged contractual price – the charity receives the cash proceeds and issues donation tax receipt to the donor, generating a second 100% tax deduction. WCPD was created to help investors with the process and identify and assist recipient charities navigate through the charitable flow through regime. "That was the impetus behind starting our own donor advised fund, which is The Foundation WCPD."

Peter Clausi and Peter Nicholson also discuss the possibility of additional benefits from the new federal critical minerals tax credit, which still has not published details of how it will work. They will both be speakers at the [Critical Minerals Summit](#) being held in Toronto on Wednesday, November 9th at the National Club. Peter Nicholson will be on a panel titled "Critical

Minerals and the Capital Markets” being hosted by Tracy Weslosky, the Critical Minerals Institute co-founder.

To access the full InvestorIntel interview, [click here](#).

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About The Foundation WCPD

The Foundation WCPD is a public donor advised fund that specializes in boosting the donations of Canadians using its public flow through share structure with a liquidity provider. Since 2006, they have closed more than 325 offerings, which is significantly more than any other firm in Canada. The Foundation has been directed by its clients to donate over 4,500 cheques to well over 600 charities across the country.

Their clients include a large number of major philanthropists, entrepreneurs, business executives and health, accounting and legal professionals.

Drawing on the expertise of accountants and tax lawyers, The Foundation analyzes strategies to dramatically reduce your tax burden, which allows you to give more. Their efficient flow through model is further assisted by an esteemed Philanthropic Advisory Council, featuring some of the top financial professionals in Canada with specializations in tax, government policy and philanthropy. This founding board is assisted by their exclusive advisory councils representing culture, mining and the National Hockey League (NHL).

The Foundation's Philanthropic Tax Structure has led to charitable donations north of \$100 million by their clients.

To learn more about The Foundation WCPD, [click here](#).

How predatory short selling harms and exploits Canada's junior markets

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In this InvestorIntel interview, host Tracy Weslosky is joined by Terry Lynch, Founder of [Save Canadian Mining](#) and CEO of [Power Nickel Inc.](#) (TSXV: PNPN | OTCQB: CMETF), and Peter Clausi, President, CEO and Director of [CBLT Inc.](#) (TSXV: CBLT) to discuss predatory short selling and how it is hurting investors and the mining industry.

In the interview, which can also be viewed in full on the InvestorIntel YouTube channel ([click here](#)), Terry and Peter talk about how the lack of fair and transparent capital markets allows predatory short sellers to go unpunished and play havoc in the markets with the interests of investors and companies alike. Terry goes on to discuss the need for reinstatement of the “tick test” to curb predatory short selling. Touching upon the lack of response from the Canadian regulators, Peter advocates the need for stronger investigative powers by the Canadian Securities Administrators to correct a flawed system that keeps stock values artificially down.

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About Save Canadian Mining

Save Canadian Mining is a not-for-profit, issue-based advocacy

group representing the interests of Canada's junior mining industry and the investment community. Founded in September 2019 by Terry Lynch, Save Canadian Mining is committed to working with governments and agencies to amend regulations in capital markets to help generate investment in Canada's junior mining industry.

To know more about Save Canadian Mining, [click here](#)

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Company's profile on [Sedar.com](https://www.sedar.com) and to carry out independent investigations in order to determine their interest in investing in the Company.

If you have any questions surrounding the content of this interview, please contact us at +1 416 792 8228 and/or email us direct at info@investorintel.com.

PDAC's President Felix Lee on soaring gold prices and widening the investment audience for the mining sector

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Note from the Publisher: [PDAC](#) issued an updated statement on the attendee that has been confirmed with the Covid-19 virus that may be accessed here – [click here](#) We felt that PDAC 2020 was exceedingly well done, and the attendance was reported to be 23,000, which suggests another outstanding year of attendance in spite of this unprecedented health challenge. On behalf of the InvestorIntel team, we would like to thank the PDAC team for doing an outstanding job, and for having us as a media sponsor again this year. To all of our audience members, stay healthy and be well!

In an InvestorIntel interview during PDAC last week, Peter Clausi secures an interview update with President Felix Lee on [Prospectors & Developers Association of Canada](#) (PDAC), the

leading voice of the mineral exploration and development community.

Mr Lee started the interview by discussion the substantial history and leadership of PDAC in the mining sector. Having been in existence for the last 88 years, PDAC injects more than \$70 million into the local economy every year. While commenting that it is an interesting time for the mining industry with gold at all-time highs, he had some equally interesting incite on what the mining sector to widen their investment audience. To access the complete interview, [click here](#)