Peartree's Ron Bernbaum on how Charitable Flow-Through Financings Connects Donors, Investors, and Mining Companies for Canada's Exploration Capital

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In an insightful interview at PDAC 2024, Critical Minerals Institute (CMI) Director Peter Clausi and PearTree Financial's CEO Ron Bernbaum discussed the pivotal role and challenges of flow-through financing in Canada's mining sector. Bernbaum highlighted that flow-through financing is instrumental for junior mining companies, facilitating over 90% of exploration investment. This model supports critical exploration activities such as drilling and First Nations engagement, with PearTree playing a significant role by facilitating over $500 million annually in Flow-Through Share Financings across more than 600 transactions.

Bernbaum expressed concern over recent tax changes, particularly the modifications in the Alternative Minimum Tax (AMT) rules, which could potentially reduce exploration capital by approximately one-third. Despite these challenges, the introduction of the Critical Mineral Exploration Tax Credit in 2022, which led to $350 million of investment, demonstrates the federal government's recognition of the sector's importance. However, Bernbaum underscored the need for sustainability in these incentives amidst tax policy changes.

Amidst regulatory challenges, Bernbaum remains hopeful for positive amendments to tax regulations and lauds provinces like Quebec for their additional support through tax incentives. He stressed the complexity and the essential nature of flow-through financing in leveraging government policies and tax incentives to support mining exploration. This system has facilitated significant investments in the mining sector, demonstrating the interplay between government initiatives and the industry's funding mechanisms. PearTree's unique position, offering Charity Flow-Through Financings, connects donors, investors, and mining companies, maximizing benefits for all parties involved and ensuring the continued flow of essential exploration capital in Canada's mining industry.

To access the complete interview, click here

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