

## Gravitas Select Flow-Through L.P. 2017

Gravitas Select Flow-Through L.P. 2017 (“The Fund”) invests in flow-through shares of Canadian public resource companies. The Fund consists of holdings that will transfer Canadian Exploration Expenses to its investors, which are then deductible against the investor’s income tax at up to 100%. Due to the Fund’s emphasis on mineral exploration, extra Federal tax credits of up to 15% are available, and potentially additional Provincial tax credits.

### Reasons to own this Fund

- Emphasis on mineral exploration – to obtain greatest possible deductions and tax credits, up to 125%
- Diversification across commodities - to reduce volatility
- The Gravitas Flow-Through franchise – a top performer over the last 4 years
- Our size means we have greater selectivity in resource company issues offering good liquidity
- Management expenses held in loan facility, paid at maturity of Fund – not up front which reduces cash available to invest
- Capital preservation mindset

### Types of Investments

The Fund will invest in flow-through shares of a spectrum of growth-oriented small and mid-sized resource companies, diversified by commodity and listed on the TSX, TSX-V and CSE:

- Mining Companies – gold, silver and other precious and base metals
- Energy – oil and gas, uranium
- Other related resource issuers such as pipeline or service companies and utilities
- Energy metals such as lithium and cobalt

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### Fund Details

<b>Closing dates</b>	December 1, 2017 / December 15, 2017 (final)
<b>Investment strategy</b>	Diversified resource flow-through
<b>Investment type:</b>	Limited Partnership units
<b>Structure</b>	Limited Partnership
<b>Features</b>	Canadian Exploration Expense deductions, plus Mineral Exploration Tax Credits - federal and potentially provincial -- a "Super-Flow Through".
<b>Risk Rating</b>	High
<b>Eligibility</b>	Suitable for taxable accounts of accredited and eligible investors of applicable provinces, as defined in the Offering Memorandum. Available to residents of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.
<b>Price (NAV per unit)</b>	\$10 per unit
<b>Min. Investment</b>	\$5,000 (500 units)
<b>Maximum Offering</b>	1,500,000 units
<b>Liquidity</b>	Liquidity expected end of 2020
<b>Classes available</b>	B and F
<b>Fund Code</b>	FIQ016 (class B) / FIQ017 (class F)
<b>Sales</b>	Subscription agreement
<b>Management Fee</b>	2%
<b>Manager</b>	Gravitas Securities Inc.

Gravitas implements **proven risk control strategies**, consistent with its view that together with tax benefits, **preservation of client capital is an important goal**

# Why “super flow-through”?

## Because deductions and tax credits may exceed 100% of the principal invested

A “super” flow-through results when the investment manager holds mineral exploration companies within the portfolio of flow-through shares. Regular Canadian Exploration Expenses ‘flow-through’ to investors deductions of up to 100% of the capital invested. Mineral Exploration Tax Credits (METC) may provide a further 15% tax credit, subject to how much of the portfolio is made up of companies active in mineral exploration. Gravitas emphasizes mineral exploration investments, our franchise has historically held close to 100% of METC qualifying investments.

The value in the hands of the investor is illustrated below:

	British Columbia	Alberta	Ontario
Combined federal/provincial tax rate (highest marginal rates)	47.7%	48.0%	53.5%
Amount Invested (\$)	\$10,000	\$10,000	\$10,000
Net deductions, regular flow-through shares only (\$)	(4,770)	(4,800)	(5,350)
Net tax credits and deductions, METC - "super-flow through" (\$)	(6,450)	(5,580)	(6,250)
Net cost of \$10,000 investment in regular flow-through shares	\$5,230	\$5,200	\$4,650
Net cost of \$10,000 investment in flow-through shares attracting METC ("super-flow through")	\$3,550	\$4,420	\$3,750

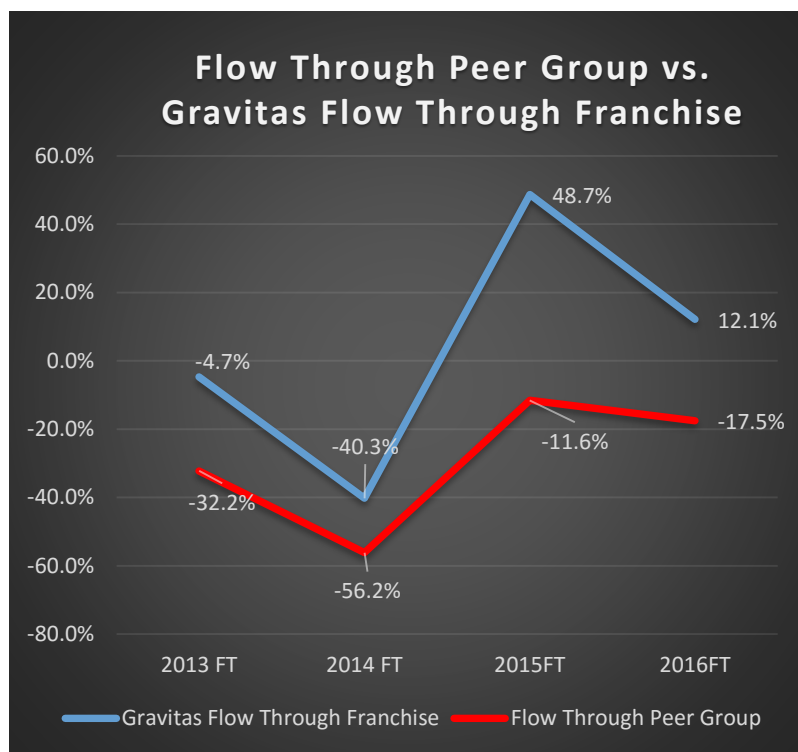
### Assumptions & Notes:

Ignoring Capital gains taxes due on disposition, and Alternative Minimum Tax, if applicable.

Federal METC credit deliver up to an additional 15% tax credit. Some provinces provide additional tax credits. This illustration assumes a maximum federal METC credit. Source = PDAC, Super Flow-Through Shares - Mineral Exploration Tax Credit, January 2017

## Behind our performance is our philosophy

Gravitas implements proven risk control strategies consistent with its view that together with tax benefits, preservation of client capital is an important goal.



Flow-Through Issuer	2013 FT	2014 FT	2015 FT	2016 FT
Brompton	\$14.55	\$8.74	\$22.24	n/a
CMP	\$15.53	\$13.37	\$24.60	\$19.35
Sentry	\$19.29	\$15.70	\$25.30	\$19.77
Canoe	n/a	\$4.63	\$14.28	\$21.21
Sprott	\$18.41	\$12.31	\$24.09	\$22.16
<b>Average</b>	<b>\$16.95</b>	<b>\$10.95</b>	<b>\$22.10</b>	<b>\$20.62</b>
Issue NAV (per unit)	\$25.00	\$25.00	\$25.00	\$25.00
<b>Loss/gain relative to issue NAV</b>	<b>-\$8.06</b>	<b>-\$14.05</b>	<b>-\$2.90</b>	<b>-\$4.38</b>
Implied percentage gain/loss	-32.2%	-56.2%	-11.6%	-17.5%

Flow-Through Issuer	2013 FT	2014 FT	2015 FT	2016 FT
<b>Gravitas Flow-Through Franchise</b>	<b>\$9.53</b>	<b>\$5.97</b>	<b>\$14.87</b>	<b>\$11.21</b>
Issue NAV (per unit)	\$10.00	\$10.00	\$10.00	\$10.00
<b>Loss/gain relative to issue NAV</b>	<b>-\$0.47</b>	<b>-\$4.03</b>	<b>\$4.87</b>	<b>\$1.21</b>
Implied percentage gain/loss	-4.7%	-40.3%	48.7%	12.1%

**Methodology disclosure:** The table plots the NAV for each constituent's flow through issue for that year as at December 31, 2016 (latest consistent period available on company websites - source). Firms with multiple issues in a single year not included. All peer group issuers strike a \$25 initial NAV, Gravitas strikes a \$10 initial NAV  
n/a = No offering this period

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## The Manager

Gravitas Securities Inc., together with its affiliates, is a Canadian-based global investment manager founded in 2006. The Gravitas Group of Companies has over C\$3.6 billion in assets under administration and includes more than 400 investment professionals located across North America.

## Investment Team

The Fund's investment team is led by Neil Gilday, Portfolio Manager of Gravitas Securities Inc. Neil and his team have a team based approach to investing and have decades of experience in managing, sourcing and structuring private and public resource transactions.



**Neil Gilday, CFA**  
Portfolio Manager  
Gravitas Securities Inc.

## For more information, please contact:

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