

Gravitas Short-Duration Flow-Through L.P. 2017

The Gravitas Short Duration Flow-Through L.P. 2017 (the “Fund”) invests in flow-through shares of Canadian public resource companies that undertake exploration programs.

The flow-through structure is an advanced tax planning tool designed to provide significant tax savings and downside cushioning for your investment.

Investors can receive Canadian Exploration Expense (CEE) tax benefits plus the potential for capital appreciation and tax-advantaged capital gains. Benefits can be achieved in a variety of tax planning scenarios.

Reasons to own this Fund

- CEE deductions up to 100% against taxable income in 2017
- Liquidity expected in 1.5 years. Capital available to work for you sooner
- Exposure to different commodities reduces volatility
- Positive outlook for the Canadian resource sector – supportive for potential capital appreciation
- Strong track record of past Gravitas flow-through funds. Our size means we have greater selectivity building a portfolio of resource companies
- 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 base metals
- Energy – oil and gas exploration
- Renewable Energy – exploration and development
- Other related resource issuers such as pipeline or service companies and utilities

This offering is a private placement and is not, and under no circumstances is to be construed as, a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the prospectus requirements set forth in applicable securities law. These materials are not to be distributed, reproduced or communicated to a third party without the express prior written consent of Gravitas Investments, a division of Gravitas Securities Inc. These materials are for information purposes only and do not constitute an offer to sell or a solicitation to buy securities. All figures in Canadian dollars unless otherwise stated. Gravitas Securities Inc. is a member of the Investment Industry Regulatory Organization of Canada (IIROC) as well as a member of the Canadian Investor Protection Fund (CIPF).

Fund Details	
Closing dates	June 30, 2017 / July 31, 2017 – final
Structure	Limited Partnership (units)
Investment Strategy	Diversified resource short duration flow through
Risk Rating	High
Tax Deductions	Up to 100% of initial investment (CEE)
Min. Investment	\$5,000 (500 units)
Eligibility	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.
Liquidity	Liquidity expected end of 2018
Price (NAV per unit)	\$10
Classes available	B and F
Management Fee	2%
Fund Code	FIQ111 (class B) / FIQ113 (class F)
Manager	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**

An advanced tax planning tool

A \$10,000 investment provides up to \$5,109 in tax savings and has a break-even value of \$6,569, assuming a marginal tax rate (MTR) of 51.09% - the average of Canada's highest Provincial marginal tax rates for 2017.

Tax Savings & Returns	Key	10% Gain	0% No change	-10% Loss	Loss of 34.3% = Breakeven
Value of investment at end of lock in period	A	\$11,000	\$10,000	\$9,000	\$6,569
Less: Cost of investment	B	\$10,000	\$10,000	\$10,000	\$10,000
Return on investment	C	\$1,000	\$0	-\$1,000	-\$3,431
Return in form of tax savings*	D	\$5,109	\$5,109	\$5,109	\$5,109
Less: Tax on sale of the investment	CGT=(A*50%) *MTR	\$2,810	\$2,555	\$2,299	\$1,678
After tax return (\$)	(C + D) - CGT	\$3,299	\$2,555	\$1,810	\$0
Return %		33%	26%	18%	0%

It makes sense to be tax efficient

Province	NS	ON	PQ	NB	PEI	MB	NF	AB	SK	BC
Top marginal tax rate	54.00%	53.53%	53.31%	53.30%	51.37%	50.40%	51.30%	48.00%	48.00%	47.70%

Canada's national average marginal tax rate is 51.09% (2017)

Simplified Examples

Clients that benefit most are typically in the highest tax brackets, or are facing a large tax bill. The following are simplified examples* of situations where tax efficiency is achievable:

Large Capital Gain

Sam lives in Ontario, he has no employment income. He just realized a \$500,000 capital gain on a property sale. He is taxable as an individual.

Employment Income	\$0		
Capital Gains of \$500,000 (50% is taxable)	\$250,000		
Total taxable income	\$250,000	Tax payable without flow-through	\$97,190
Gravitas Flow-Through purchase - Canadian Exploration Expenses	\$200,000	Tax payable with flow-through purchase	\$8,310

The \$200,000 investment in a Gravitas flow-through, not including capital gain paid upon sale, saved Sam \$88,880 in tax*.

Employment Income and Capital Gain

Jason lives in British Columbia, has \$180,000 employment income and just sold an investment property, realizing a \$350k capital gain. He is considering a \$100,000 investment in a Gravitas flow-through.

Employment Income	\$180,000		
Capital Gain of \$350,000 (50% is taxable)	\$175,000		
Total taxable income	\$355,000	Tax payable without flow-through	\$105,603
Gravitas Flow-Through purchase - Canadian Exploration Expenses	\$100,000	Tax payable with flow-through purchase	\$54,305

The \$100,000 investment in a Gravitas flow-through helped Jason save \$51,298 in tax*.

Employment and Property Rental Income

Janice lives in Alberta, her annual salary is \$160,000. She is considering an annual program of flow-through investing in addition to her annual RRSP contribution.

Employment Income	\$160,000		
Total taxable income	\$160,000	Tax payable without flow-through & RRSP	\$ 46,661
Flow-Through purchase - Canadian Exploration Expenses	\$25,000		
RRSP contribution (taxed as income in future)	\$25,000	Tax payable with flow-through and RRSP	\$ 27,383

Janice realizes a tax savings of \$19,278 in this scenario*. On maturity, net capital is returned and available for another program of flow-through investing.

*These calculations are simplified, approximate and do not include non-refundable tax credits other than the basic personal exemption, or other aspects of a full financial situation. The proceeds of the investment at liquidity are taxed as capital gain. An accountant or financial planner can confirm the specific benefit available in your situation. Tax rates and basic personal tax credit values used are as at May 13, 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.

A Top Performing Flow-Through for 4 years running

Source: Capital IQ

Issuer	NAV	Gain (Loss) per Unit	After Tax Return*
Gravitas Select FT LP 2016	\$11.21	\$1.21	65.63%
Gravitas Select FT LP III (2015)	\$19.86	\$9.86	152.13%
Gravitas Select FT LP II (2014)	\$6.88	\$(3.12)	22.30%
Gravitas Select FT LP I (2013) - wound up	\$9.53	\$(0.47)	46.40%

*Ontario harmonized marginal tax rate is 53.53%. After tax return represents since inception performance for each flow-through.

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, CEO of Gravitas Investments and 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:

Gravitas Investments

A division of Gravitas Securities Inc.
333 Bay Street, Suite 1700
Toronto, ON M5H 2R2
T: 416-639-2104

www.gravitasinvestments.com
info@gravitasinvestments.com