

# CMI Masterclass: Flow Through and Critical Minerals

written by Jeff Todd | December 12, 2023

The recent [Critical Minerals Institute](#) (CMI) Masterclass, hosted by Tracy Weslosky, featured an in-depth discussion on the intricacies and opportunities of flow-through financing, particularly in the context of critical minerals. The panel included Peter Nicholson from [Wealth Group](#) (WCPD Inc.), Jean-Philippe (J.P.) Côté from [Fasken](#), and Peter Clausi from [Silver Bullet Mines Corp.](#) (TSXV: SBMI | OTCQB: SBMCF) and [CBLT Inc.](#) (TSXV: CBLT), who provided valuable insights into this complex financing model.

Peter Nicholson elaborated on the evolution of the charitable flow-through model in financing, a model that has grown significantly since 2006. He emphasized its benefits in mitigating risks and offering tax advantages, particularly for high net worth individuals. He emphasized how the charitable flow-through model has grown to dominate the market, explaining its resilience during financial downturns and its importance in the current market.

Peter Clausi clarified the terminology and functioning of flow-through shares. These shares are designed as a tax benefit, enabling losses from mining exploration to be passed to investors. He underscored that these are a creation of the Income Tax Act, not affecting corporate or stock exchange structures.

J.P. Côté discussed the tax benefits associated with investing in companies exploring critical minerals, such as uranium. He highlighted the changes in tax credits, especially for critical minerals, and the implications of these incentives for

exploration companies.

The panel also delved into the role of liquidity providers in the flow-through model, discussing the current market trends. They explored the challenges and opportunities for both investors and companies, especially considering recent markets and the growing focus on critical minerals.

There was a discussion on the increasing global interest in critical minerals, emphasizing the potential for institutional investors to play a more active role in this sector. The panelists also discussed the necessity for better understanding and utilization of flow-through financing among these investors.

From a legal and regulatory standpoint, J.P. Côté and Peter Clausi offered insights into the complexities of flow-through financing. They discussed the nuances of qualifying for critical minerals and the potential for future legislative adjustments in this area.

For investors looking to leverage flow-through financing in critical minerals, the session provided strategic advice. This included guidance on how to approach brokers and identify promising investment opportunities in this sector.

The discussion concluded with thoughts on the future of flow-through financing. The panelists pondered its trajectory, especially considering political and economic changes, and the possibility of including sectors like renewable energy in this financing model.

To access the complete video, [click here](#)

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