



## Sailfish Royalty to Acquire Terraco Gold, Creating a New Growth-Oriented Royalty Company

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**Tortola, British Virgin Islands and Vancouver, British Columbia – June 20, 2019 – Sailfish Royalty Corp. (“Sailfish”)** (TSX Venture: FISH) and **Terraco Gold Corp. (“Terraco”)** (TSX Venture: TEN) are pleased to announce that on June 19, 2019, they have entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) pursuant to which Sailfish has agreed to acquire all of the issued and outstanding shares of Terraco (the “**Terraco Shares**”) in exchange for consideration of 0.12 of a common share of Sailfish (each full share, a “**Sailfish Share**”) for each Terraco Share, by way of a plan of arrangement under the Business Corporations Act (*British Columbia*) (the “**Arrangement**”).

The consideration offered by Sailfish for the Terraco Shares represents a premium of approximately 53% to the trailing 20-day volume weighted average price of the Terraco Shares as at June 19, 2019.

### Highlights of the Combined Company

- The consolidated company will hold an array of precious metals royalties, ranging from the exploration stage through to production;
- Geographic diversification of the combined royalty portfolio within the Americas, including Nevada, Mexico, Brazil and Nicaragua;
- Royalties with well-established property owners, including Waterton Global Resource Management, Eldorado Gold Corporation and Endeavour Silver Corp.;
- Support from Wexford Capital LP, an SEC registered investment advisor with approximately US\$3 billion of assets under management, which is the manager of hedge funds that collectively are the largest shareholders of Sailfish (the “**Wexford Funds**”);
- Platform for additional royalty consolidation in the precious metals space;
- Near term post-closing, shareholder friendly initiatives including a possible spinoff of the Gavilanes and Almaden-Nutmeg Mountain properties into a separate exploration company or a monetization of these assets; and
- A normal-course issuer bid on behalf of Sailfish to acquire over 1.9 million shares of Sailfish over next 12 months.

Akiba Leisman, CEO of Sailfish, commented: “We are very pleased to announce this exciting transaction which brings together our combined royalty portfolios into a new, growth-oriented royalty vehicle. Terraco’s royalty holdings on the development-stage Spring Valley Gold Project in Nevada will give our shareholders exposure to one of the best known undeveloped mining properties in the region.”

Todd Hilditch, President & CEO of Terraco, further added: “This transaction presents a unique opportunity for Terraco shareholders to gain exposure to a diverse portfolio of royalties, with



exposure to a multi-million ounce gold project portfolio, while also benefiting from a strong financial backing and an increased capital markets profile. We look forward to working with the Sailfish team towards a successful transaction closing.”

### **Transaction Particulars**

Under the terms of the Arrangement Agreement, each Terraco shareholder shall receive 0.12 of a Sailfish Share for each Terraco Share (the “**Exchange Ratio**”). Existing options and warrants to acquire Terraco shares will be converted into options and warrants to acquire Sailfish Shares, each in accordance with their terms.

Upon closing of the Arrangement, Todd Hilditch will be appointed to the board of directors of Sailfish.

The Arrangement will be carried out by way of a court-approved plan of arrangement and will require the approval of at least 66⅔% of the votes cast by Terraco shareholders at a special meeting (the “**Meeting**”) expected to take place in August 2019. Closing of the Arrangement remains subject to applicable regulatory and court approvals and the satisfaction of certain other closing conditions.

The Arrangement Agreement includes customary provisions, including non-solicitation, right to match, and fiduciary out provisions, as well as other representations, covenants and conditions customary for transactions of this nature. A termination fee of \$500,000 shall be payable upon the occurrence of certain terminating events.

The board of directors of Terraco, after receiving the unanimous recommendation of the special committee of independent directors of Terraco (the “**Terraco Special Committee**”), has approved the entering into of the Arrangement Agreement by Terraco and recommends that Terraco shareholders vote in favour of the Arrangement at the Meeting.

Each of the directors and officers of Terraco, representing a total of approximately 13.33% of the issued and outstanding shares of Terraco, have entered into a voting support agreement with Sailfish wherein they have agreed, among other matters, to vote in favour of the Arrangement at the Meeting. Full details of the Arrangement will be contained in a management information circular (the “**Circular**”) to be filed with regulatory authorities and mailed to Terraco shareholders in accordance with applicable securities laws prior to the Meeting.

### **Strategic Investment**

Sailfish is also pleased to announce that the Wexford Funds, which are collectively the largest shareholders of Sailfish, have agreed to complete a private placement into Terraco at a price of \$0.13 per Terraco Share for gross proceeds of approximately \$4,717,183. The use of proceeds includes working capital, corporate expenses and potential royalty acquisitions. Upon closing of the private placement, it is expected that the Wexford Funds will hold approximately 19.9% of the outstanding Terraco Shares on a non-diluted basis, subject to a third-party pre-emptive right to



maintain its pro-rata interest. The private placement is not conditional on completion of the Arrangement, but is subject to TSX Venture Exchange approval.

### **Proposed Exploration Asset Spinoff or Monetization**

Sailfish currently owns the Gavilanes property, a low sulphidation epithermal deposit located in the San Dimas mining district of Durango, Mexico, approximately 25 kilometers east of the San Dimas mine owned by First Majestic Silver Corp. Terraco additionally owns the Almaden-Nutmeg Mountain epithermal gold deposit located in western Idaho. These two properties hold substantial value for the combined shareholders of both companies, and management will look to spinoff these assets or monetize them for shareholders after the merger is complete.

### **Normal Course-Issuer Bid**

Sailfish has received conditional approval by the TSX Venture Exchange to commence a normal course issuer bid of up to 1,918,678 Sailfish Shares. Given Sailfish's low general and administrative expenses, no current capital commitments, and substantial working capital balance, Sailfish expects to complete the purchase of these shares expeditiously.

### **Advisors and Counsel**

Red Cloud Klondike Strike Inc. ("**Red Cloud**") is acting as financial advisor to Sailfish. DuMoulin Black LLP is acting as legal counsel to Sailfish.

Haywood Securities Inc. ("**Haywood**") is acting as financial advisor to the Terraco Special Committee. Haywood has provided an opinion to the Terraco Special Committee that, based upon and subject to certain assumptions, limitations and qualifications outlined in the opinion and such other matters as were considered relevant, the consideration to be received by the shareholders of Terraco in respect of the Arrangement is fair, from a financial point of view, to the shareholders of Terraco, excluding Sailfish, the Wexford Funds and their affiliates. Gowling WLG is acting as legal counsel to Terraco.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Terraco. The securities will not be sold in any state or jurisdiction where the offer, solicitation or sale is unlawful. The offer and sale of securities have not been registered under the U.S. Securities Act, or applicable state securities laws, and the securities will not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

### **About Sailfish**

Sailfish Royalty Corp. is a precious metals royalty and streaming company. Within Sailfish's portfolio are two cornerstone assets on advanced stage projects in the Americas: a 3.5% NSR on the Tocantinzinho gold project in the prolific Tapajos district of northern Brazil; and a gold stream equivalent to a 3% NSR on the San Albino gold project (~3.5 km<sup>2</sup>) and a 2% NSR on the rest of the 138 km<sup>2</sup> area surrounding San Albino in northern Nicaragua.



Sailfish intends to aggressively grow its portfolio and become a yield focused company by paying dividends to its shareholders.

The Company is listed on the TSX Venture Exchange under the symbol "FISH". Please visit the Company's website at [www.sailfishroyalty.com](http://www.sailfishroyalty.com) for additional information.

### **About Terraco**

Terraco is a gold royalty company with a royalty portfolio of up to 3% NSR on the multi-million ounce Spring Valley Gold Project located in Pershing County, Nevada.

The Company is listed on the TSX Venture Exchange under the symbol "TEN". Please visit the Company's website at [www.terracoGold.com](http://www.terracoGold.com) for additional information.

On behalf of the companies,

Akiba Leisman  
CEO – Sailfish Royalty Corp.

Todd Hilditch  
President & CEO – Terraco Gold Corp.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**For further information:** Akiba Leisman, CEO, tel. 203-862-7059 or Todd Hilditch, President & CEO, tel. 604-443-3831.

### **Cautionary & Forward-Looking Statements**

*Completion of the Arrangement is subject to a number of conditions, including TSX Venture Exchange acceptance, and approval of the shareholders of Terraco. The Arrangement cannot close until the required shareholder approvals are obtained. There can be no assurance that the Arrangement will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the proxy statement or Circular to be prepared by Terraco in connection with the Arrangement, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon.*

*Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including that the Arrangement is expected to close as anticipated by management, the expectation that Sailfish and Terraco will spin off or monetization the Gavilanes property and Almaden-Nutmeg Mountain epithermal gold deposit*



*after the Arrangement is complete and the Terraco Special Committee and the Terraco board of directors are expected to recommend to the Terraco Shareholders to vote in favor of the Arrangement, the private placement by the Wexford Funds in Terraco is expected to be completed as anticipated by management and the Wexford Funds are expected to hold 19.9% of the total issued and outstanding shares of Terraco upon closing of such private placement and the Sailfish's plan to complete the purchase of 1.9 million shares under the normal course issuer bid expeditiously are forward-looking statements and contains forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on certain material assumptions and analysis made by the Sailfish and Terraco and the opinions and estimates of management as of the date of this press release, including that the Arrangement will close as anticipated by management, that Sailfish and Terraco will successfully spin off or monetization the Gavilanes property and Almaden-Nutmeg Mountain epithermal gold deposit after the Arrangement is complete, the Terraco Special Committee and the Terraco board of directors will recommend to the Terraco Shareholders to vote in favor of the Arrangement, the private placement by the Wexford Funds in Terraco will be completed as anticipated by management and the Wexford Funds will hold 19.9% of the total issued and outstanding shares of Terraco upon closing of such private placement and the Sailfish will complete the purchase of 1.9 million shares under the normal course issuer bid expeditiously. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the combined company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation, that the Arrangement will not close as anticipated by management or at all, that Sailfish and Terraco will not spin off or monetization the Gavilanes property and Almaden-Nutmeg Mountain epithermal gold deposit after the Arrangement is complete or at all, the Terraco Special Committee and the Terraco board of directors will not recommend to the Terraco Shareholders to vote in favor of the Arrangement, the private placement by the Wexford Funds in Terraco will not be completed as anticipated by management, or at all, and the Wexford Funds will hold more or less than 19.9% of the total issued and outstanding shares of Terraco upon closing of such private placement, if such private placement closes at all and Sailfish will not complete the purchase of 1.9 million shares under the normal course issuer bid as quickly as anticipated by management or at all. Although management of the Sailfish and Terraco have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Neither Sailfish nor Terraco undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws.*



*Additional information on these and other factors that could affect the companies' operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).*