



# TERRACO ACQUISITION

AS ANNOUNCED JUNE 20, 2019

# Disclaimer, Forward-Looking Information, Technical and Third Party Information & Qualified Persons

## **DISCLAIMER**

Certain information contained herein, other than information relating to Sailfish Royalty Corp. (“Sailfish” or the “Corporation”), while obtained from sources which we believe are reliable, is not guaranteed as to its accuracy or completeness. The contents of this presentation is for information purposes only and does not constitute an offer to sell or a solicitation to purchase any securities referred to herein.

## **FORWARD-LOOKING INFORMATION**

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

This Presentation contains forward-looking statements and forward-looking information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this Presentation, other than statements of historical facts, including statements regarding the expectation that Sailfish and Terraco will spin off or monetization the Gavilanes property and Almaden-Nutmeg Mountain epithermal gold deposit after the proposed transaction is complete, the proposed transaction is expected to close as anticipated by management and after the proposed transaction is completed both Sailfish and Terraco shareholders are expected to benefit from a more robust growth platform as anticipated by management, are forward-looking statements and contain 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 Company and the opinions and estimates of management as of the date of this press release, including , that Sailfish and Terraco will successfully spin off or monetization the Gavilanes property and Almaden-Nutmeg Mountain epithermal gold deposit after the proposed transaction is complete, the proposed transaction will close as anticipated by management and after the proposed transaction is completed both Sailfish and Terraco shareholders will benefit from a more robust growth platform as anticipated by management. 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 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 Sailfish and Terraco will not spin off or monetization the Gavilanes property and Almaden-Nutmeg Mountain epithermal gold deposit after the proposed transaction is complete or at all, the proposed transaction will not close as anticipated by management, or at all and after the proposed transaction is completed both Sailfish and Terraco shareholders will not benefit from a more robust growth platform as anticipated by management or at all. Although management of the Company has 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. The Company does not 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.

## **TECHNICAL AND THIRD PARTY INFORMATION**

This presentation includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by Sailfish to be true. Although Sailfish believes it to be reliable, it has independently verified any of the data from third party sources referred to in this presentation, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Corporation believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this presentation are not guaranteed and Sailfish does not make any representation as to the accuracy or completeness of such information.

## **QUALIFIED PERSONS**

Charles Sulfrain, P.Geo. is independent of Sailfish and a “Qualified Person” under NI 43-101 and has reviewed and approved the written scientific and technical disclosure contained in this presentation.

# Value Proposition of the Pro Forma Company

## The proposed transaction delivers on Sailfish's promised growth-oriented strategy

- Pro forma 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
- 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

# Transaction Overview <sup>(1)</sup>

## A friendly transaction with support from Terraco insiders representing ~13.3% of shares outstanding

<b>Transaction</b>	<ul style="list-style-type: none"><li>• Plan of Arrangement under which Sailfish will acquire 100% of the outstanding shares of Terraco Gold Corp. (“Terraco”)</li><li>• Unanimously recommended by the Boards of Sailfish and Terraco</li></ul>
<b>Offer Value</b>	<ul style="list-style-type: none"><li>• Each Terraco shareholder to receive 0.12 Sailfish shares for each share of Terraco held</li><li>• Implied offer value of C\$0.122 per Terraco share, a total equity value of C\$17.8 million<ul style="list-style-type: none"><li>— ~53% premium to Terraco, based on the trailing 20-day VWAP of both companies’ shares as of June 19, 2019</li></ul></li></ul>
<b>Exclusivity &amp; Shareholder Support</b>	<ul style="list-style-type: none"><li>• Customary non-solicitation, termination fees, and right to match provisions</li><li>• Terraco Directors and Officers holding ~13.3% of Terraco have entered into a voting support agreement</li></ul>
<b>Conditions</b>	<ul style="list-style-type: none"><li>• Approval by Terraco shareholders</li><li>• Customary regulatory and court approval</li><li>• No material adverse change and other standard representations, covenants and conditions</li></ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"><li>• Todd Hilditch (CEO of Terraco) to be added to the Sailfish Board of Directors</li></ul>
<b>Indicative Timetable</b>	<ul style="list-style-type: none"><li>• Mailing of meeting materials, including the Circular, in mid-July 2019</li><li>• Shareholder meeting to be held mid-August 2019</li><li>• Closing expected in August 2019</li></ul>

1. For further details regarding the proposed transaction, including capitalized terms, please refer to the joint press release dated June 20, 2019, posted under both companies’ profiles on SEDAR at [www.sedar.com](http://www.sedar.com).

# Benefits for All Shareholders

## Both sets of shareholders set to benefit from a more robust growth platform

### Benefits to Sailfish Shareholders

- Gain exposure to a potential tier one gold project
- Nevada is a world-class mining jurisdictional
- Escalates Sailfish's profile among gold royalty companies
- Enhanced trading liquidity and retail investor base improving Sailfish's free float
- Material increase to gold resource exposure
- Larger platform to pursue further growth and re-rating potential

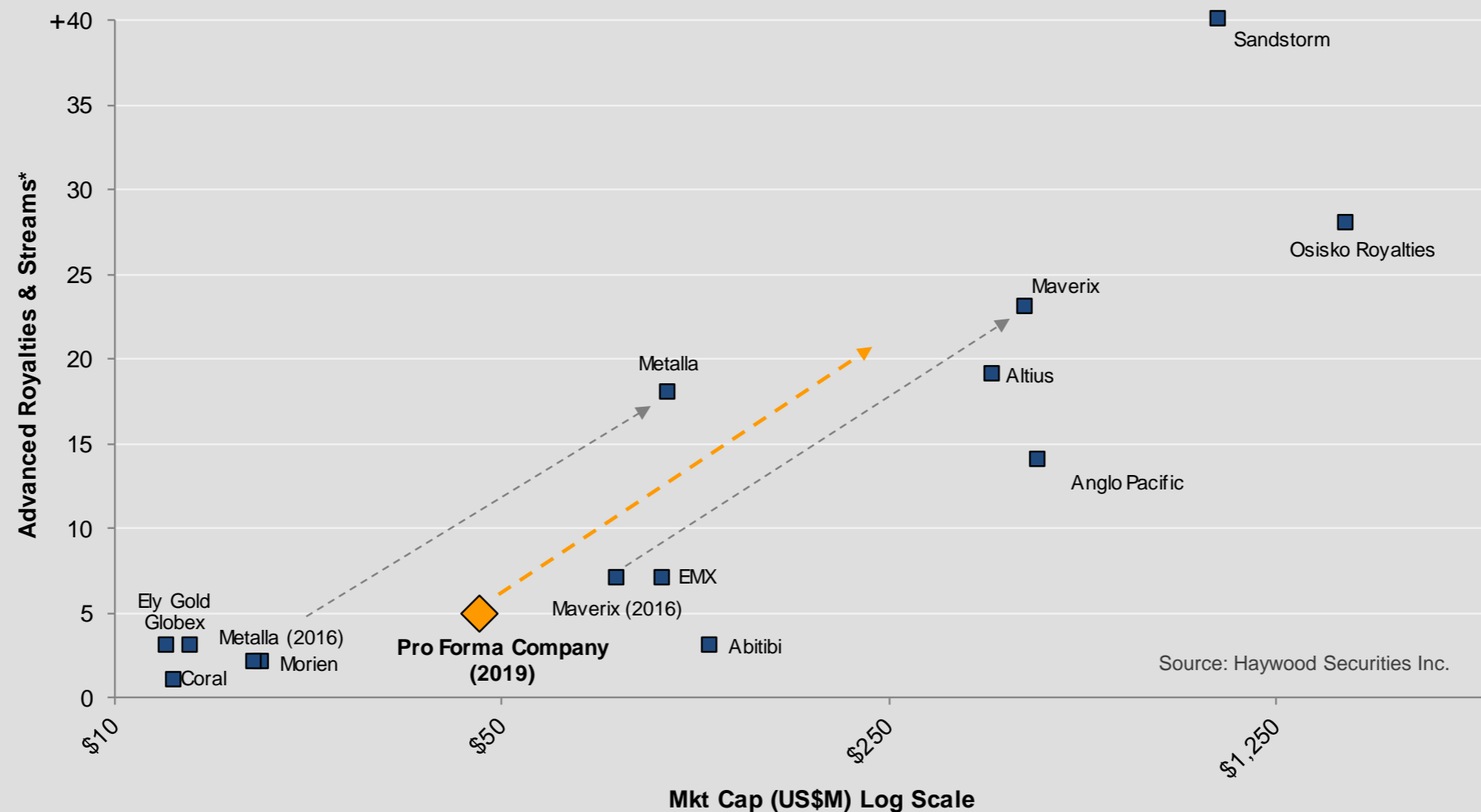
### Benefits to Terraco Shareholders

- ~53% premium to Terraco shareholders <sup>(1)</sup>
- Gain exposure to portfolio of development and operating gold royalties
- Elimination of single asset risk
- Immediate cash flows and stronger balance sheet
- Continued exposure to the Spring Valley project
- Platform to pursue further growth and re-rating potential

1. Based on the trailing 20-day VWAP of both companies' shares as of June 19, 2019.

# Re-Rating Potential

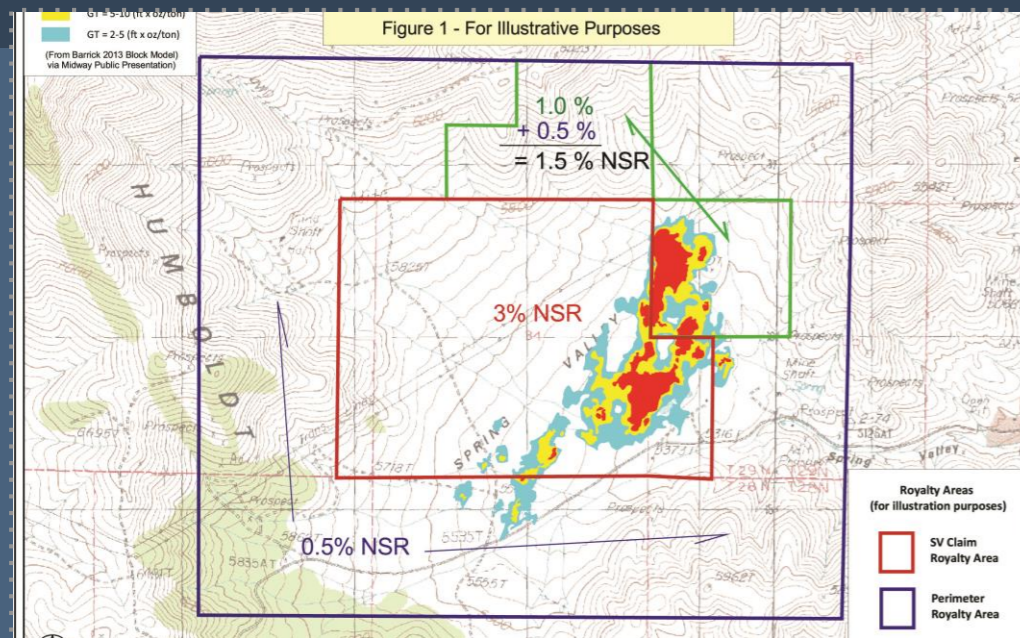
The proposed transaction positions Sailfish to fill the void in the junior peer group following the recent growth of Maverix Metals Inc. and Metalla Royalty and Streaming Ltd.



\* Indicates number of "Advanced Royalties & Streams," which is defined as royalties/streams that are at least resource-staged. Peer group excludes senior companies: Franco-Nevada, Royal Gold, and Wheaton Precious.

# Spring Valley (red claims) (1) (2)

Up to 3% NSR on majority of Spring Valley project



Claim boundaries are approximate and for illustrative purposes only.

## PROJECT HIGHLIGHTS (1)

Historic 43-101 M&I resource of over 4 million oz. Au (3)

Excellent highway and road access

Well-funded operator advancing project

*Sailfish is treating this estimate as an historical estimate, not a current mineral resource or mineral reserve, as a qualified person has not done sufficient work to classify it as current mineral resources or mineral reserves.*

## LOCATION

Pershing County, Nevada, USA

## STATUS

Pre-feasibility stage project

## OPERATOR

Waterton Global Resource Management

## MINE TYPE

Open pit

## AVERAGE ANNUAL PRODUCTION

Not yet specified

## ROYALTY PERCENTAGE

Up to 3% NSR on a majority of the current gold resources of the Spring Valley project (4)

## TERM

Life of mine

## UPFRONT PAYMENT

None

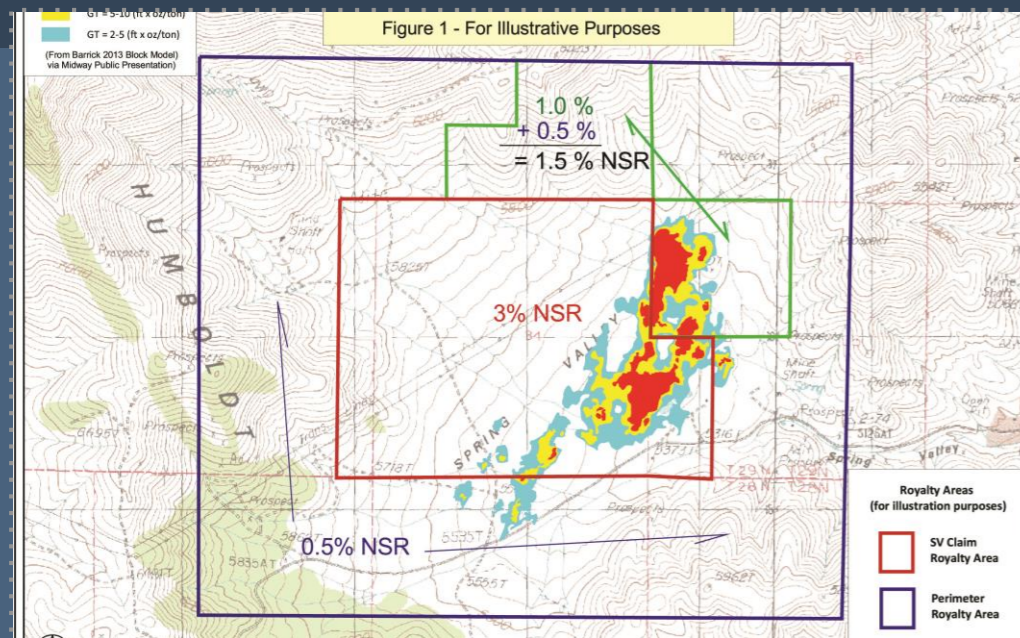
## ONGOING PAYMENTS

None

1. Based on information provided by Terraco. For further information on the Spring Value project, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com).
2. Please refer to slide titled "Spring Valley Project Map" for a larger map of the claim boundaries (red, green and blue) on the various royalties on the Spring Valley project.
3. Please refer to slide titled "Spring Valley Resources" for a summary of historic 43-101 resources, including legal disclosure relating to the reference of a historical resource.
4. A subsidiary of Waterton Global Resource Management, has the option to convert a US\$12,030,000 convertible debenture into a maximum of 45% TGC Holdings Ltd., which is the wholly owned subsidiary of Terraco that owns the 3% NSR on the Spring Valley project (Schmidt claims), and thereby reduce the 3% NSR to a 1.65% NSR.

# Spring Valley (green claims) (1) (2)

1.5% NSR on north/northeast portion of Spring Valley project



Claim boundaries are approximate and for illustrative purposes only.

## PROJECT HIGHLIGHTS (2)

Historic 43-101 M&I resource of over 4 million oz. Au (3)

Excellent highway and road access

Well-funded operator advancing project

*Sailfish is treating this estimate as an historical estimate, not a current mineral resource or mineral reserve, as a qualified person has not done sufficient work to classify it as current mineral resources or mineral reserves.*

## LOCATION

Pershing County, Nevada, USA

## STATUS

Pre-feasibility stage project

## OPERATOR

Waterton Global Resource Management

## MINE TYPE

Open pit

## AVERAGE ANNUAL PRODUCTION

Not yet specified

## ROYALTY PERCENTAGE

1.5% NSR on the north/northeast high grade gold portion of the Spring Valley project (4)

## TERM

Life of mine

## UPFRONT PAYMENT

None

## ONGOING PAYMENTS

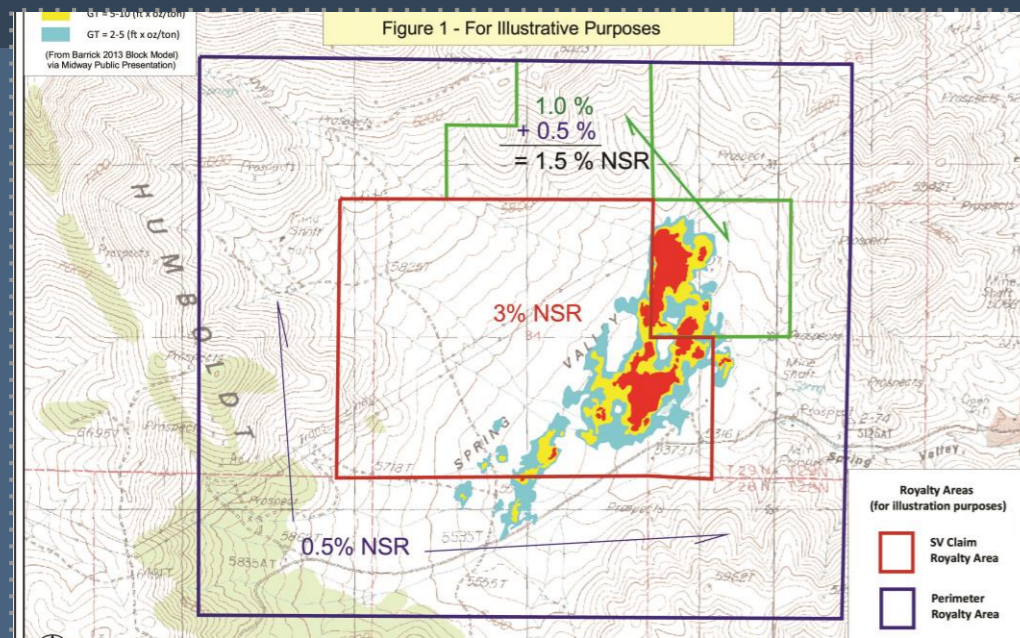
None

1. Based on information provided by Terraco. For further information on the Spring Value project, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com).
2. Please refer to slide titled "Spring Valley Project Map" for a larger map of the claim boundaries (red, green and blue) on the various royalties on the Spring Valley project.
3. Please refer to slide titled "Spring Valley Resources" for a summary of historic 43-101 resources, including legal disclosure relating to the reference of a historical resource.
4. A subsidiary of Waterton Global Resource Management, has the option to convert a US\$12,030,000 convertible debenture into a maximum of 45% TGC Holdings Ltd., which is the wholly owned subsidiary of Terraco that owns the 1.5% NSR on the Spring Valley project (Seymork claims), and thereby reduce the 1.5% NSR to a 0.825% NSR.



# Spring Valley (blue claims) (1) (2)

0.5% NSR surrounding Spring Valley project



Claim boundaries are approximate and for illustrative purposes only.

## PROJECT HIGHLIGHTS (2)

Historic 43-101 M&I resource of over 4 million oz. Au (3)

Excellent highway and road access

Well-funded operator advancing project

*Sailfish is treating this estimate as an historical estimate, not a current mineral resource or mineral reserve, as a qualified person has not done sufficient work to classify it as current mineral resources or mineral reserves.*

## LOCATION

Pershing County, Nevada, USA

## STATUS

Pre-feasibility stage project

## OPERATOR

Waterton Global Resource Management

## MINE TYPE

Open pit

## AVERAGE ANNUAL PRODUCTION

Not yet specified

## ROYALTY PERCENTAGE

0.5% NSR within a one-half mile radius of the red claims of the Spring Valley project (4)

## TERM

Life of mine

## UPFRONT PAYMENT

None

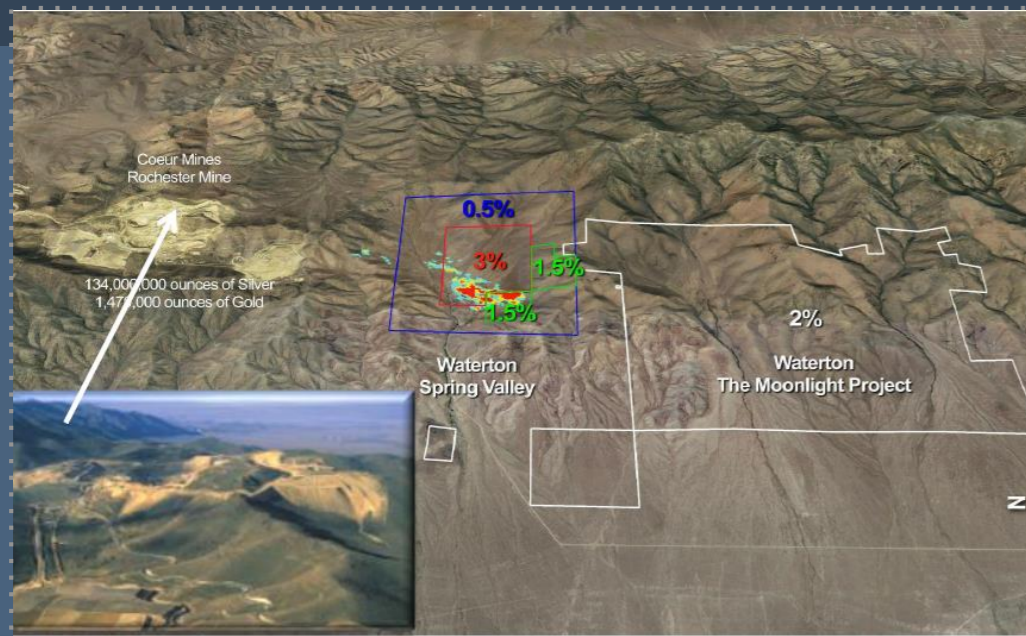
## ONGOING PAYMENTS

None

1. Based on information provided by Terraco. For further information on the Spring Value project, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com).
2. Please refer to slide titled "Spring Valley Project Map" for a larger map of the claim boundaries (red, green and blue) on the various royalties on the Spring Valley project.
3. Please refer to slide titled "Spring Valley Resources" for a summary of historic 43-101 resources, including legal disclosure relating to the reference of a historical resource.
4. A subsidiary of Waterton Global Resource Management, has the option to convert a US\$12,030,000 convertible debenture into a maximum of 45% TGC Holdings Ltd., which is the wholly owned subsidiary of Terraco that owns the 0.5% NSR on the Spring Valley project (Schmidt perimeter), and thereby reduce the 0.5% NSR to a 0.275% NSR.

# Moonlight (1)

Up to 2% NSR on Moonlight property



Claim boundaries are approximate and for illustrative purposes only.

## PROPERTY HIGHLIGHTS

On geological structural trend (N/NE) to Spring Valley and Rochester

Excellent highway and road access

Well-funded operator advancing project

## LOCATION

Pershing Country, Nevada, USA

## STATUS

Early stage exploration

## OPERATOR

Waterton Global Resource Management

## MINE TYPE

Not yet specified, but potential for open pit

## AVERAGE ANNUAL PRODUCTION

Not yet specified

## ROYALTY PERCENTAGE

Up to 2% NSR on the Moonlight property, which is on geological structural trend (N/NE) to Spring Valley project and Rochester mine

## TERM

Life of mine

## UPFRONT PAYMENT

None

## ONGOING PAYMENTS

None

1. Based on information provided by Terraco. For further information on the Moonlight property, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com).

# Almaden-Nutmeg Mountain (1)

100% ownership of Nutmeg Mountain project



## PROPERTY HIGHLIGHTS <sup>(2)</sup> <sup>(3)</sup>

66,140 meters of historic, mostly shallow drilling in 935 holes

Excellent access and infrastructure

Located 12 miles from Weiser, Idaho

*Sailfish is treating this estimate as an historical estimate, not a current mineral resource or mineral reserve, as a qualified person has not done sufficient work to classify it as current mineral resources or mineral reserves.*

## LOCATION

Washington County, Idaho, USA

## STATUS

Past producing mine

## OPERATOR

Terraco Gold Corp.

## PROPERTY DESCRIPTION

Low-sulfidation, epithermal hot spring type system with near surface mineralization amenable to open pit mining

## RESOURCE SUMMARY

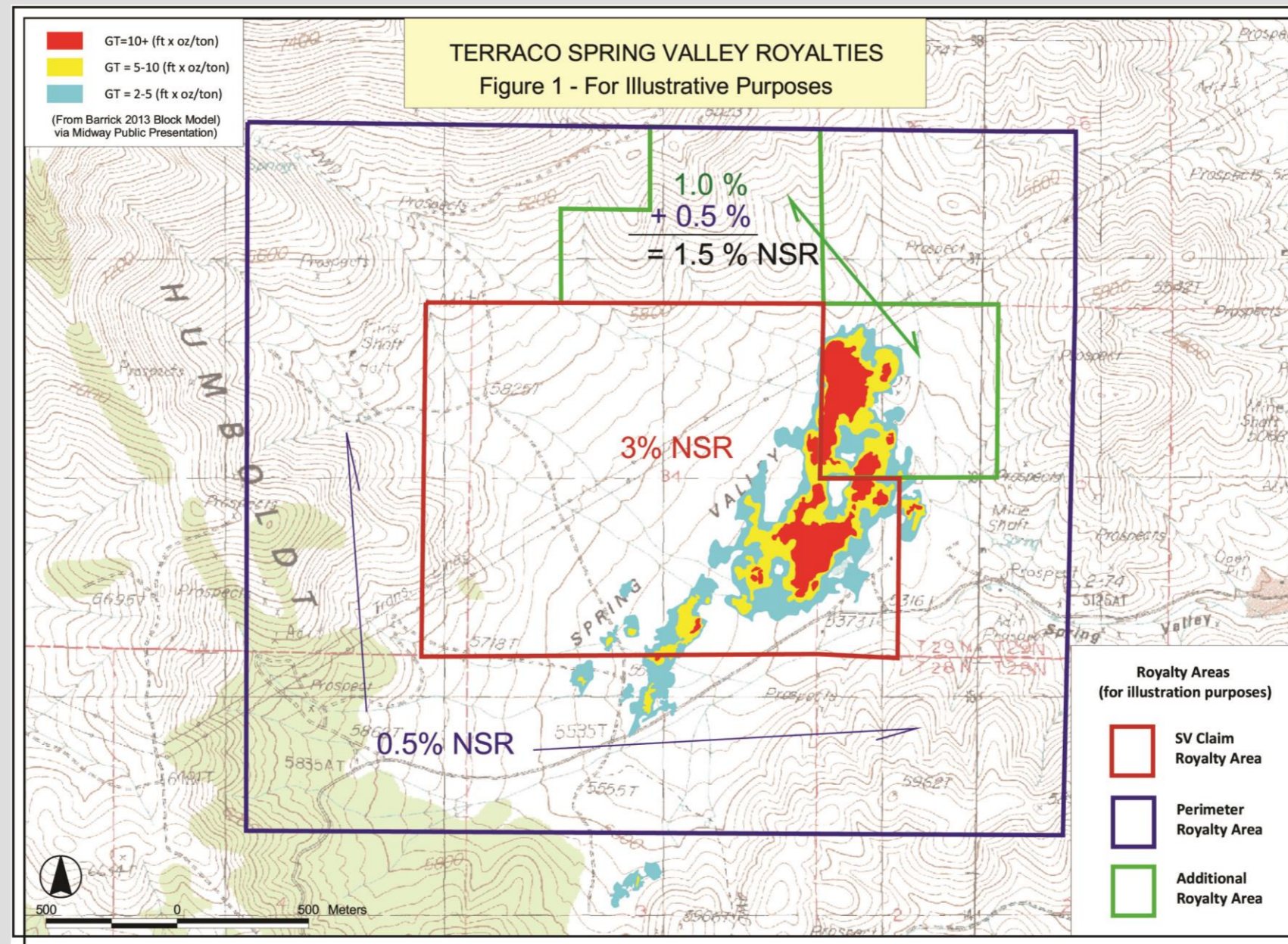
Global NI 43-101 resource of 864,000 oz. Au M&I and 84,000 oz.

Au Inferred (within 90 meters of surface ) <sup>(2)</sup> <sup>(3)</sup>

1. Based on information provided by Terraco. For further information on the Almaden-Nutmeg Mountain property, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com).
2. NI 43-101 Measured resource of 239,000 oz. Au 10,810,000 tons grading 0.022 oz./t, an Indicated resource of 625,000 oz. Au (32,240,000 tons grading 0.019 oz./t) and an Inferred resource of 84,000 oz. Au (5,270,000 tons grading 0.016 oz./t), at cut-off grades of 0.008 oz./t, 0.012 oz./t and 0.023 oz./t, respectively, for oxide, mixed and sulfide mineralization (December 2009 NI 43-101 technical report).
3. The source of the historical information is the technical report prepared for Western Standard Metals Ltd. (predecessor to Terraco Gold Corp.) entitled "Technical Report, Almaden Project, Washington County, Idaho, Prepared for Western Standard Metals Ltd. December 8, 2009", prepared by Paul Tietz, P. Geo. And Michael M. Gustin, P. Geo., with effective date of August 31, 2009 and a report date of December 8, 2009. The technical report is posted under Western Standard Metals Ltd.'s SEDAR profile at [www.sedar.com](http://www.sedar.com).
4. Sailfish understands that this historical estimate was prepared in accordance with NI 43-101 using mineral resource categories that comply with CIM standards; however, Sailfish has not verified it as being a current mineral resource or mineral reserve complying with NI 43-101. Sailfish considers this estimate to be relevant to readers, but cannot comment on its reliability, as it has not assessed the key assumptions, parameters and methods used to prepare the historical estimate and has not assessed what work would need to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves.

# Spring Valley Project Map (1)

Terraco's Spring Valley royalties cover the entirety of the project



1. Based on information provided by Terraco. For further information on the Spring Value project, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com). Claim boundaries are approximate and for illustrative purposes only.

# Spring Valley Resources (1)

## Historic 43-101 Resource Summary (+0.006 oz./t Au cut-off): (1) (2)

Category	Tonnage	Au (g/t)	Au (Oz.)
Measured	68,300,000	0.69	1,510,000
Indicated	133,600,000	0.61	2,610,000
<b>M&amp;I</b>	<b>201,900,000</b>	<b>0.63</b>	<b>4,120,000</b>
Inferred	56,300,000	0.55	990,000

*Sailfish is treating this estimate as an historical estimate, not a current mineral resource or mineral reserve, as a qualified person has not done sufficient work to classify it as current mineral resources or mineral reserves.*

1. Based on information provided by Terraco. For further information on the Spring Value project, please visit Terraco's website at [www.terracogold.com](http://www.terracogold.com). Specifically, the source of this information is the technical report prepared for Midway Gold Corp. ("Midway") entitled "NI 43-101 Technical Report on Resources, Spring Valley Project, Pershing Country, Nevada", prepared by William J. Crowl, R.G. MSA QP, Zachary J. Black, SME-RM, Deepak Malhotra, PhD, SME-RM., with effective date of August 1, 2014 and a report date of September 9, 2014. The technical report is posted under Midway's SEDAR profile at [www.sedar.com](http://www.sedar.com). Sailfish understands that this historical estimate was prepared in accordance with NI 43-101 using mineral resource categories that comply with CIM standards; however, Sailfish has not verified it as being a current mineral resource or mineral reserve complying with NI 43-101. Sailfish considers this estimate to be relevant to readers, but cannot comment on its reliability, as it has not assessed the key assumptions, parameters and methods used to prepare the historical estimate and has not assessed what work would need to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves.
2. Mineral resources are reported above a +0.006 oz/t Au cut-off, assuming the three year trailing average gold price of US\$1,537/oz. at the time of the technical report effective date.